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COMMITTEE MEETING  
STATE OF CALIFORNIA  
INTEGRATED WASTE MANAGEMENT BOARD  
STRATEGIC POLICY DEVELOPMENT

JOE SERNA, JR., CAL/EPA BUILDING  
1001 I STREET  
2ND FLOOR  
COASTAL HEARING ROOM  
SACRAMENTO, CALIFORNIA

TUESDAY, MARCH 11, 2008  
10:00 A.M.

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PETERS SHORTHAND REPORTING CORPORATION (916) 362-2345

APPEARANCES

COMMITTEE MEMBERS

Ms. Margo Reid Brown, Chair

Mr. Wesley Chesbro

Mr. Jeffrey Danzinger

Ms. Rosalie Mul

Mr. Gary Petersen

STAFF

Mr. Mark Leary, Executive Director

Ms. Julie Nauman, Chief Deputy Director

Mr. Elliot Block, Staff Counsel

Mr. Fernando Berton, Branch Manager, Program Services  
Branch

Ms. Sally French, Staff

Ms. Kristen Garner, Executive Assistant

Mr. Howard Levenson, Deputy Director, Permitting and  
Enforcement Division

Ms. Rubia Packard, Assistant Director, Executive Office

Mr. Ted Rauh, Program Director

ALSO PRESENT

Mr. Michael Blumenthal, RMA

Mr. Steve Boyd

Ms. Grace Chan, LA County Sanitation Districts

Mr. Matt Cotton, IWMC

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APPEARANCES CONTINUED

ALSO PRESENT

Mr. John Cupps, San Luis Obispo IWMA

Mr. Eric Douglas, Leading Resources, Inc.

Mr. George Eowan, CRRG

Mr. Chuck Helget, Allied Waste

Mr. Andrew Lehman, NorCal Waste Systems

Mr. Terry Leveille, TL & Associates

Ms. Jana Nairn, Golden ByProducts, Inc.

Mr. Scott Smithline, CAW

Mr. Chuck White, Waste Management

Mr. Michael Young, City of San Jose

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1 PROCEEDINGS.

2 CHAIRPERSON BROWN: Good morning. Welcome to the  
3 March 11th meeting of the Strategic Policy Committee.  
4 There are agendas on the table in the back. If anyone  
5 would like to speak to one of the particular items, there  
6 are speaker slips, and please bring them to Kristen.  
7 You'll have an opportunity to address the Committee  
8 obviously during that item.

9 I ask everybody or just remind you to turn your  
10 cell phones and pagers to the vibrate mode.

11 Kristen, can you call the roll.

12 EXECUTIVE ASSISTANT GARNER: Chesbro?

13 COMMITTEE MEMBER CHESBRO: Here.

14 EXECUTIVE ASSISTANT GARNER: Mulé?

15 COMMITTEE MEMBER MULÉ: Here.

16 EXECUTIVE ASSISTANT GARNER: Peace?

17 Petersen?

18 COMMITTEE MEMBER PETERSEN: Here.

19 EXECUTIVE ASSISTANT GARNER: Brown?

20 CHAIRPERSON BROWN: Here.

21 Okay. Any members have any ex partes to report?

22 No? Everybody's up to date?

23 Everybody's up to date.

24 And we will move -- let's see. We are going to  
25 take up Board Item 6 first, which is Item C, and then we

1 will do Item D, and it will be followed by item E. We  
2 anticipate -- if we need to, we'll take a lunch break  
3 about noon. And immediately following lunch, if we take a  
4 lunch break, we will do Item B, F, and G, and then go to  
5 any remaining items if we haven't covered those prior to  
6 lunch.

7           So I think we'll go first to Item 6, Committee  
8 Item C, Howard, Discussion and Consideration of the Model  
9 for Research and Demonstration.

10           PROGRAM DIRECTOR LEVENSON: Thank you, Madam  
11 Chair, and good morning, Board members. I'm Howard  
12 Levenson with the Sustainability Program at the Board.

13           This item is discussion and consideration of a  
14 model for research and demonstration projects. And this  
15 stems from the fact that the Board doesn't have a  
16 coordinated process for prioritizing and funding research  
17 activities.

18           Over the years Board-sponsored research has been  
19 really sporadic and opportunistic. And we've basically  
20 tried to use whatever discretionary contracting dollars  
21 are available at the time.

22           Last year, the Board adopted Strategic Directive  
23 9 on research and development of technology. And it  
24 included a specific subdirective that directed staff to  
25 develop a model for coordinating research. The idea

1 behind this is to establish a systematic process so that  
2 the Board can coordinate and direct research activities on  
3 an annual basis at a consistent funding level. This would  
4 allow projects to be better prioritized and ensure  
5 consistency between our legislative mandates and our  
6 strategic directives. It would also, we hope, provide a  
7 synergy between overlapping project areas and result in a  
8 lot of increased research on innovative practices and  
9 technologies.

10           So today we're bringing you the results of our  
11 analysis and asking you to adopt a research model, that  
12 has a couple of different parts. And the question of  
13 funding for these activities is something that's separate  
14 from this agenda item itself. Ultimately of course this  
15 kind of approach will only be successful if we have a  
16 minimum level of dedicated funding each year, along with  
17 the staff resources to run the program.

18           So if you like and ultimately adopt this model or  
19 some version of it, then we would suggest trying at some  
20 point an initial pilot for one or two years, funded at  
21 perhaps the \$800,000 range, so that we could see how the  
22 model works and then be able to fine-tune it. This of  
23 course would depend on funding availability and staffing  
24 availability. So we would suggest that this be something  
25 that the Executive Director contemplate outside of this

1 item, but more as part of our annual contracting cycle or  
2 other kinds of funding processes.

3           So with that brief intro, I'd like to turn it  
4 over to Kitty Oliver, who along with Alan Glabe did a lot  
5 of the work to pull information together about different  
6 research models. And I think they've gone above and  
7 beyond the call here to develop something for you that you  
8 can chew on and give us some feedback on.

9                               --o0o--

10           MS. OLIVER: Good morning.

11           Howard, you summed everything up. I think I can  
12 skip most of my slides.

13           PROGRAM DIRECTOR LEVENSON: This mike often  
14 doesn't work. This one over here does.

15           MS. OLIVER: Let's see. Is that better?

16           All right. Kitty Oliver. And good morning.

17           Like I say, Howard did such a great job summing  
18 it up, I can go through these slides pretty well.

19                               --o0o--

20           MS. OLIVER: Strategic Directive 9.1 directed  
21 staff to develop a foundation for coordinating research  
22 activities. The proposed research model will provide a  
23 systematic process to facilitate research efforts that are  
24 consistent with the Board's mission and priorities.

25           The coordinated approach will allow, as Howard



1 said, better synergy between projects and help enrich the  
2 Board's research efforts.

3 --o0o--

4 MS. OLIVER: Staff reviewed six models and pulled  
5 the best elements from each model into the proposed CIWMB  
6 models. The models we looked at were the Hinckley Center  
7 in Florida, the California Air Resources Board, the U.S.  
8 EPA, the CIWMB commissioned report titled "Science and  
9 Technology Research Priorities for Waste Management in  
10 California." This was written in 1992, but much of it  
11 still rang absolutely true for where we are today. And  
12 that was written by the California Council on Science and  
13 Technology. And the final model we looked at was the  
14 proposed center for sustainability and organic management.

15 Oh, did I go backwards? No, I didn't get it.

16 Thanks.

17 Yeah, that's it.

18 --o0o--

19 MS. OLIVER: After reviewing the models, several  
20 valuable concepts emerged. Staff tried to incorporate all  
21 of these concepts into the current model.

22 First was a coordinated and consistent process  
23 for setting research priorities is the cornerstone to most  
24 of the models. Of particular note was the Hinckley  
25 Center, which was exhaustive in its effort to include

1 stakeholder input. They did it at every level they could.

2 And we tried to include that as much as we could.

3 --o0o--

4 MS. OLIVER: Consistent funding allows

5 researchers to plan projects around known funding levels

6 and can lead to a successful leveraging of additional

7 funds. Consistent funding also allows for the setting of

8 research priorities to meet long-range goals and set and

9 maintain priorities across multiple fiscal years. Staff

10 also noted that the process to operate a research model

11 isn't equally labor intensive whether funded at the

12 700,000 level, such as the Hinckley Center, or the \$8

13 million level that the ARB has. Unfortunately there's

14 no -- you don't get an economy. If you're smaller, it

15 still costs the same amount people-wise.

16 --o0o--

17 MS. OLIVER: The two-tier review process

18 maximizes the number of research ideas submitted for

19 consideration by minimizing the amount of work required to

20 submit an idea for consideration. The two-tier proposal

21 review structure also allows for research proposals to be

22 modified to better meet the needs of an established

23 research agenda.

24 --o0o--

25 MS. OLIVER: Now I'm going to introduce our

1 model. And first of all, the CIWMB model will encompass  
2 three main types of research:

3           Basic research to develop information or data in  
4 support of the waste management hierarchy.

5           Demonstration research investigates  
6 environmentally sound methods and strategy for managing  
7 waste materials. These would be things like pilot  
8 projects, demonstration projects, real hands-on type  
9 projects.

10           And finally research transfer. This type of  
11 research activity transfers and shares research results to  
12 other researchers, the public and private sectors, to  
13 enable the implementation of the solutions to waste  
14 management issues.

15           So when we looked at contracts that we had done,  
16 we realized many of them had elements of one of these  
17 three types of research.

18   --o0o--

19           MS. OLIVER: This is the research model. This is  
20 a flow chart that gives a visual frame for looking at it.

21           The flow chart is broken into three distinct  
22 sections, Section A, B, and C. I'm going to slowly go  
23 through each section and you can -- it kind of helps you  
24 understand the flow of information and when things happen.

25           Section A, The setting of research priorities.

1 The first step in the development of the research agenda  
2 is a survey conducted by CIWMB staff of local governments;  
3 consultants; state and environmental agencies;  
4 environmental organizations; public interest groups;  
5 academic institutions; the industrial and commercial  
6 sectors including waste management companies, recycling  
7 companies, manufacturers and retailers.

8           The Research Steering Committee, comprised of  
9 CIWMB staff, will use the survey results and other  
10 considerations including Board priorities, new  
11 legislation, past research, and internal staff needs to  
12 formulate our research agenda.

13           On the chart -- we would be now in Section B,  
14 right starting here. So they've come up with a draft.  
15 Section B is the setting of that research agenda. A CIWMB  
16 Strategic Policy Committee will be held to provide a forum  
17 for the Board to receive additional stakeholder input.  
18 Based on this information, the Board will finalize the  
19 research agenda, delineate budget parameters, and approve  
20 the evaluation criteria for abstracts - abstracts being  
21 short, two to three page pre-proposals and evaluation  
22 criteria for full proposals.

23           The Research Steering Committee will then issue a  
24 request for abstracts based on the topics identified in  
25 the research agenda. This would be the pink box at the

1 bottom of Section B, the call for abstracts.

2           Section C, research proposal review and adoption  
3 of a research slate. This section incorporates a two-tier  
4 proposal review and evaluation structure. The first tier  
5 is the evaluation of abstracts. The second tear is the  
6 evaluation and award of full proposals.

7 First tier, the abstract evaluation. We are now in this  
8 area right here. The Research Steering Committee will use  
9 consensus selection to determine the abstracts that best  
10 meet the needs of the research agenda. Depending upon  
11 availability of technical experts and at the discretion of  
12 CIWMB staff, the best abstracts will be forwarded to an  
13 issue-specific Technical Advisory Panel. The Technical  
14 Advisory Panel will be comprised of technical experts from  
15 areas such as industry, environmental group, academia,  
16 Board staff, other environmental agencies. These panels  
17 will review the abstracts and provide input on the  
18 technical and scientific merit of the proposal.

19           The Research Steering Committee will meet with  
20 the principal investigators of the abstracts and invite  
21 them to submit full proposals, and discuss possible  
22 changes to the proposal based on information from the  
23 Technical Advisory Panels and also comments that the  
24 Research Steering Committee has. This is very similar to  
25 the structure that the Hinckley model uses and it allows a

1 feedback loop; so that these proposals when the full  
2 proposals come in, they can be as strong as possible.

3           The second tier, the full proposal portion, the  
4 Research Steering Committee will review the full proposals  
5 based upon the Board-approved criteria. This criteria may  
6 include relevance of the research to the research agenda,  
7 scientific merit of the research approach, expectation of  
8 end-user relevancy, experience and resources of the  
9 principal investigator, budget and identification of  
10 external funds to help support the project. We would  
11 really like the CIWMB money to act as seed money, and that  
12 matching funds be part of the criteria that we're using to  
13 score these proposals on. We would like to see some  
14 leveraging.

15           The Research Steering Committee will utilize  
16 consensus scoring to select a research slate. Finally,  
17 the research slate will be brought to the Board for award.

18           So now we're at the very bottom, that green box.  
19 We now have proposals ready to go.

20 --o0o--

21 MS. OLIVER: So the big question: What  
22 resources? What resources are necessary to operate the  
23 research model?

24               Staff proposes that we start with the pilot  
25 period. The pilot period is envisioned to be one to

1 two years with limited funding and breadth of topic areas.  
2 Eight hundred thousand is proposed during the pilot  
3 period. This amount of funding would initially provide  
4 approximately ten research projects funded at the \$80,000  
5 level. Ideally Board funding would function as seed money  
6 to leverage external funds.

7           Staffing requirements are estimated to be two  
8 personnel years during both the pilot period and the full  
9 operation of the model. This PY estimate does not include  
10 research contract management, which is already  
11 accomplished by Board staff.

12                               --o0o--

13           MS. OLIVER: In conclusion, staff recommends the  
14 Board direct staff to implement the research model pilot  
15 phase pending identification of the required funding and  
16 staffing resources.

17           We've here to answer questions. Thank you.

18           CHAIRPERSON BROWN: Thank you, Kitty, Howard,  
19 Brenda. Thank you very much. I know this was an  
20 exhaustive process.

21           I'm sure we have questions and we have at least  
22 one speaker.

23           Should we call the speaker first and then we'll  
24 ask questions.

25           John Cupps.

1           MR. CUPPS: Good morning, Madam Chair, members of  
2 the Committee. John Cupps on behalf of the San Luis  
3 Obispo Integrated Waste Management Authority.

4           Overall, we think staff has come up with an  
5 excellent proposal for a Board research model, and I think  
6 it will really work well.

7           One suggestion, however, is that as part of the  
8 Research Steering Committee and, in particular, in setting  
9 the research priorities, I think it would be extremely  
10 valuable to actually have -- rather than just a survey  
11 process, to actually include stakeholders on that Research  
12 Steering Committee. I think at the end of the day if  
13 you're going to have end-use relevancy, I think it's  
14 really important to have that type of direct stakeholder  
15 input into the priority-setting process.  
16 And other than that, we support the proposal  
17 wholeheartedly.

18           CHAIRPERSON BROWN: Thank you, John.

19           Any questions for John?

20           COMMITTEE MEMBER CHESBRO: A couple of thoughts.  
21 One is, state involvement in research in my opinion has  
22 been most useful when it winds up being -- when there's  
23 some sort of information transfer that takes place where  
24 there's the additional -- so it doesn't just wind up very  
25 interesting information on a shelf. And the outstanding



1 example we have of that in this state is the UC extension  
2 where they take all the university work and -- not all of  
3 it but the part that is most applicable to various  
4 industries, particularly agriculture, and then make that  
5 information available to those practitioners out in the  
6 economy who can make best use of it. And so I don't  
7 really see that addressed here, and it seems to me that's  
8 a very important element, is how do we orient it towards  
9 information transfer once the research has been done?

10           And the second thing is -- I think we all at  
11 various times in our Board tenures have seen something  
12 wind up before the Board and the Board not having had  
13 early participation and then there's all kinds of  
14 confusion and redoing and going back and reconsidering. I  
15 think this ought to be looked at from the standpoint of  
16 trying to figure out where the Board can be involved in  
17 some steps so that when the proposal winds up before the  
18 Board, there's some greater potential for earlier Board  
19 buy-in and less apt to be saying, "Whatever that Board  
20 approved five years ago, that's not me. Go back to the  
21 drawing board," you know.

22           So I don't have a specific proposal about how to  
23 do that or where, but I think trying to figure out -- and  
24 that's not to replace all of the process that you've  
25 described here as well like the Board's going to do it.

1 That's not my point. I just think check-in points at  
2 various places in the process so that the Board has been  
3 coming along on where the priorities and proposals are.

4 CHAIRPERSON BROWN: Thank you.

5 I'll reserve comment.

6 I've got two more speakers that have just -- I  
7 got their sheets. So let me have them come up so we can  
8 do that.

9 Andrew Lehman from NorCal.

10 MR. LEHMAN: Good morning. My name is Drew  
11 Lehman. I'm the Director of Environment and Planning for  
12 NorCal Waste Systems. I appreciate the opportunity to be  
13 able to address the Board on what I consider to be a very  
14 interesting and positive initiative.

15 I've served as an ex officio member, an honorary  
16 member of the Research Selection Committee at the Hinckley  
17 Center. And actually it was my pleasure to have worked  
18 with Bill Hinckley. He's passed away a number of years  
19 ago but he was a regulator at the Florida Department of  
20 Environmental Protection. He was a fine man and brought a  
21 very pragmatic attitude towards the interactions between  
22 the regulated community and the regulators. And in that  
23 spirit, the Hinckley Center has been functioning since  
24 1996. And it has funded dozens, if not hundreds, of very  
25 clearly focused and pragmatic studies that have advanced

1 the state of the art of solid waste management in the  
2 State of Florida. And that the Hinckley model -- this is,  
3 first of all, a very excellent presentation and an  
4 overview. And it reflects a lot of thought and diligent  
5 effort to put together, not just the flow chart, but the  
6 whole dynamic.

7           And that in working with the Hinckley Center, the  
8 focus that they have is on pragmatic research, in that  
9 when the regulatory agencies have a problem, something as  
10 seemingly innocuous as removal of ditch cleaning residue,  
11 it seems like nothing, but then you realize there's oil  
12 and grease and metals. And these things that are in that  
13 residue, what do you do with it? How do you characterize  
14 that material? So that when a regulator gets a question  
15 from a community, "What do I do with this material?" they  
16 can develop -- they can go to the actual scientific  
17 research that has been performed and make an informed  
18 regulatory judgment.

19           One thing that I see here that perhaps down the  
20 road can be considered is that the structure of the  
21 Hinckley Center is somewhat different from this, in that  
22 it is set up as its own independent 501(c)(3)  
23 not-for-profit organization, with an executive director  
24 and a staff. And as a 501(c)(3), it can then pull in  
25 money from different sources. This is one thing that's

1 just an attractive notion that's available as an option,  
2 perhaps down the road after the pilot program's given a  
3 chance to strengthen this. But within the research  
4 community here in California there are some excellent  
5 examples of work that we've currently funded as a company,  
6 NorCal, has worked with UC Davis researchers. I've also  
7 been in touch with researchers at Cal Poly in San Luis  
8 Obispo, and they also have a solid waste research center  
9 which is burgeoning and developing. And I know a number  
10 of the Board members have contacted them.

11 And I think there's some very powerful models out  
12 there. And I just wanted to say that having a  
13 multi-disciplinary Technical Research Committee parallels  
14 the structure of the Board itself. And I think that that  
15 makes a very powerful combination and that it creates an  
16 atmosphere in which oftentimes people with disparate  
17 views, including industry, the regulated community, the  
18 regulators, the non-government organizations/NGOs in the  
19 environmental community, can work together in a  
20 cooperative format, again, to work on pragmatic, focused  
21 research that translates regulations into functional ideas  
22 that can then support everybody.

23 And the last thing I'll mention is that there was  
24 a recent survey put out by the Waste Board that deserves  
25 special recognition in lowering the barriers on

1 establishment and siting of organic diversion facilities.  
2 I'd like to extend my professional recognition of some  
3 excellent thought that went into that. NorCal and a  
4 number of our client communities and planners around the  
5 state, I understand there's been hundreds of responses.  
6 It's an excellent piece of work and we appreciate the  
7 thought that went into that and the opportunity that has  
8 been put into that and into this forum.

9 Thank you very much.

10 CHAIRPERSON BROWN: Thank you, Drew.

11 George Eowan.

12 MR. EOWAN: Good morning. George Eowan  
13 representing California Refuse Removal Council.

14 Research is something near and dear to my heart.  
15 Back in the early 80s I was working for Gas Research  
16 Institute in Chicago and I was the manager of  
17 International R&D Coordination. And what that was is we  
18 had a group of gas industry people in the United States,  
19 Germany, France, England, Italy, and Japan. And we met  
20 every quarter somewhere in the world. It was a tough job.

21 (Laughter.)

22 MR. EOWAN: And we discussed the research that  
23 was going on in natural gas around the world, from basic  
24 research to demonstration research to all levels of  
25 research and how much money was spent and so forth and

1 what we were learning out of it. That I think the telling  
2 moment one time was in France when the Director for Gas de  
3 France looked at us, the Americans, and said -- we were  
4 passing lots of papers around -- we were passing our  
5 papers around. They were passing their papers around to  
6 everyone but not to us because you passed around relative  
7 to what you asked for. And we rarely asked for anything.  
8 We were always happy to give them all of our research.  
9 And he looked at me and he said, "Are you not curious?"  
10 And it drove home a point that we really didn't open  
11 ourselves up to what was going on in the rest of the world  
12 as much as we should.

13           So after that we spent a lot of time going to all  
14 of our scientists -- there were 300 scientists in this  
15 organization I worked for. And what I did was I spent a  
16 lot of time talking to them asking them questions of:  
17 "What do you know?" "What do you want to know?" What can  
18 I ask," you know, Gas de France or British Gas or  
19 whatever?

20           All that to say is that we should be curious  
21 about what's going on in the rest of the world, and that  
22 should help drive our research agenda here at the Waste  
23 Board.

24           I think what the staff has done is -- they've  
25 done a great job. I just make a couple of

1 recommendations. One is you ought to figure out how to  
2 develop your research agenda. And I think you're doing  
3 that a lot in what your proposal is. But I think included  
4 in that development of the research agenda ought to be  
5 people that are doing research, that know what's going on  
6 out there. And it ought to be people from other  
7 governments, from industry, stakeholders, so that you get  
8 a variety of input into that process before you really  
9 even start. And then go through kind of the process I  
10 think that the staff has outlined. I think you'd get a  
11 better quality at the end in terms of the usefulness of  
12 the research.

13           So I think -- that's kind of the main point I  
14 wanted to add, is just bring the stakeholders and the  
15 experts -- the research experts in at the beginning, I  
16 think it will kind of speed up the process.

17           But we do look forward to working with you on  
18 this. It's very exciting.

19           Thank you.

20           CHAIRPERSON BROWN: Thank you, George.

21           Howard, anything before I take questions?

22           PROGRAM DIRECTOR LEVENSON: No. Let's hear the  
23 questions.

24           CHAIRPERSON BROWN: Go ahead.

25           Rosalie or Gary.

1 Ladies first, huh.

2 COMMITTEE MEMBER MULÉ: Thank you, Madam Chair.

3 First of all I just want to thank staff or Kitty  
4 and Alan and all of you that have worked on this over the  
5 last few years.

6 I just want to put this in context from my own  
7 point of view. When I first came to the Board, you know,  
8 I'd noticed that we were asked to fund a number of  
9 research projects. And when I would ask the question,  
10 "What is the basis for the need for this research?", there  
11 wasn't always an answer that I was comfortable with. And  
12 having worked in Florida and having had the experience of  
13 working with the Bill Hinckley model, I saw there is a  
14 better way that we can actually conduct research here at  
15 the Board. And so having a lot of discussion with staff,  
16 with Mark and Julie on this, and actually bringing out the  
17 executive director of the Hinckley Center to share with us  
18 what they do and how they do it I think really helped us  
19 in our minds just to try to put our arms around what our  
20 model should look like.

21 And so with that, again, I just want to thank  
22 staff for all of your work and all of your research into  
23 the research model, because I know I wasn't easy.

24 We also had gone down to Cal Poly to hear about  
25 the Center for Research there and what they're doing. And



1 so there's a lot -- as George had mentioned, there's a lot  
2 of good research that's going on and we just don't know  
3 about it. And so before we move forward with our own  
4 research agenda, it's probably important for us to find  
5 out what's going on there.

6 So, again, I just want to, first of all, thank  
7 staff for all the work that you did to get us to where we  
8 are today. This is very, very heartwarming for me,  
9 believe me.

10 A question I have though is something that Mr.  
11 Cupps brought up, is having outside members in the  
12 Research Selection Committee. And so if you can address  
13 that. I do have some concerns that if we -- we want to  
14 make sure the process is as transparent as we like our  
15 processes to be. And so I guess I'm not totally  
16 comfortable on how we jump from the survey to selection of  
17 projects and making sure that we have the stakeholder  
18 input throughout that process. Because, again, that's  
19 part of the Hinckley model and it really works very well.  
20 So I don't know if you could address that first, if you'd  
21 like to.

22 PROGRAM DIRECTOR LEVENSON: You know, I think we  
23 appreciate all the comments about the need to involve  
24 stakeholders and transparency and certainly to be aware of  
25 existing or ongoing research, whether it's in another

1 government -- another country or another segment of the  
2 industry. So we take those to heart and, indeed -- I mean  
3 that's part and parcel of this proposal. Maybe we need to  
4 make that more explicit.

5 COMMITTEE MEMBER MULÉ: Right.

6 PROGRAM DIRECTOR LEVENSON: With respect to Mr.  
7 Cupps' first comment, one of the things that we need to be  
8 careful about is -- later on in the process when we score  
9 the proposals, that's something that would have to be done  
10 internally. So we've constituted that Research Steering  
11 Committee of internal staff so they'd be able to score the  
12 proposal. Earlier on in that first phase perhaps we need  
13 to have a more formal solicitation -- not solicitation,  
14 it's not the right word -- but a more formal meeting of  
15 folks, it could be a conference call kind of meeting, but  
16 to explicitly get input, which we intend to do with a  
17 survey but maybe it's just a little bit more face to face  
18 or, you know, everybody altogether talking through what's  
19 been done. You know, we could make presentations about  
20 the Board's strategic directives and legislative mandates  
21 and get feedback. Certainly it would be --

22 COMMITTEE MEMBER MULÉ: And the results of the  
23 survey perhaps, you know. That might be a good way to  
24 again involve the stakeholders so that they're comfortable  
25 with the development of the research agenda.

1           PROGRAM DIRECTOR LEVENSON: I think short of  
2 convening sort of a blue ribbon, you know, grand panel, I  
3 think we could do something where we have a survey, we  
4 provide the results, we have a workshop conference kind of  
5 call-in setting to vet those results, get more input. And  
6 then we would bring that to the Strategic Policy  
7 Committee, you know, with our recommendations.

8           One other comment, if I could. It's true that  
9 there are other models and there's many different paths  
10 this could go down. One of the things we were thinking in  
11 proposing this model is the ability of the Board to  
12 control what the priorities are. And also this is  
13 something we can more or less do administratively if we  
14 had the funding. We don't need legislation to set up a  
15 quasi-governmental entity or go into major agreements.

16           And then, lastly, I think -- it might have been  
17 George who mentioned this. But certainly we have worked  
18 hard with Legal -- and I want to express my thanks to  
19 Legal. They've spent countless hours, Marie and Holly, in  
20 particular, and Elliot as well, going back and forth with  
21 us and DGS to kind of look at the mechanics of this. And  
22 one of the things we want to do is be able to encompass  
23 both private proposals, public proposals, and combinations  
24 of private/public proposals. And we don't have all those  
25 details ironed out with DGS yet, but those are the kinds

1 of things that we have tried to build into this model as  
2 well.

3 COMMITTEE MEMBER MULÉ: Okay. Thanks you,  
4 Howard.

5 And the only other thing I have -- I really  
6 appreciate you sharing with us the graph of the funding  
7 levels of research over the years. That was very, very  
8 telling and interesting to me to see the peaks and valleys  
9 in our research. And, again, I think this model will help  
10 us provide a stable level of funding for research.

11 And then, finally, the only other comment I have  
12 is, one of the important pieces of the Hinckley model in  
13 Florida is the fact that they have interns work on these  
14 research projects and that those -- some 130 student  
15 interns are now working in various professional  
16 capacities, whether it's in the public sector, the private  
17 sector, whatever, you know, doing research or doing  
18 whatever they're doing now. And I just think that that is  
19 so important that we keep that in mind as we develop our  
20 next generation of solid waste professionals. So I just  
21 hope that we include that piece in this model.

22 So with that, thank you again, staff. Great job.  
23 And I really appreciate all your work.

24 Thank you.

25 COMMITTEE MEMBER PETERSEN: Wow. This thing's

1 great and where we're going is great. And we need to do  
2 this because of where we are in this time and place or  
3 where we're headed in the solid waste industry.

4 I just -- research and development, it goes back  
5 to the very beginning of all the recycling things. We did  
6 our own research and development. We never had any help.  
7 And now we're looking at this. And I'm 100 percent behind  
8 this.

9 The only thing I wanted to bring up, Howard, was,  
10 it makes sense in the pilot to make sure that this thing  
11 gets done right, the Executive Director has all kinds of  
12 fluidity to make this thing happen. But I think down when  
13 we get in the next phases, that we consider that the Board  
14 be involved in some of this.

15 And I had a -- and I think we had discussed it.  
16 At the end of the resolution: "Therefore be it further  
17 resolved that the Board delegate authority to the  
18 Executive Director for approval of modifications to the  
19 research model as a pilot," and strike that "it  
20 involves" -- the rest of that sentence.

21 PROGRAM DIRECTOR LEVENSON: Yeah, I think that's  
22 a good suggestion, because we do need to work through the  
23 mechanics of this and then report back to you, you know,  
24 as a full board what's worked, what haven't worked,  
25 whether there's any suggestions for modifications. So I

1 think it's appropriate to revise the resolution to just  
2 reflect the Executive Director having some authority to  
3 implement the pilot --

4 COMMITTEE MEMBER PETERSEN: Oh, absolutely.

5 PROGRAM DIRECTOR LEVENSON: -- and we can tweak  
6 that as we need to.

7 COMMITTEE MEMBER PETERSEN: Okay. And the only  
8 other thing I wanted to mention is drawing upon the  
9 expertise and people all over the world that are doing  
10 something, are involved in the industry and trying  
11 different things. You can't beat it. And we've picked up  
12 a lot of things over the years of how to operate here.  
13 They've also picked up stuff from us. So it's real  
14 important.

15 Anyway, thanks, Howard.

16 CHAIRPERSON BROWN: Well, I think we've gone  
17 around and covered almost everything that I was going to  
18 mention, and I agree. And we do -- generally do that when  
19 we go out and do research. Like on EPR, we've certainly  
20 surveyed and seen what everybody's done around the world  
21 before we develop our policy.

22 And I think, Kitty, you and Alan, Marie,  
23 everybody, has done a great job in putting this together.  
24 You know, with a few little tweaks I think -- what was on  
25 the slide was a little different than what was in our book

1 as far as the flow chart, and maybe the arrows didn't  
2 really reflect. We've always had a very robust dialogue  
3 and exchange with our stakeholders. And I think the slide  
4 didn't reflect what exactly was in the agenda item. And  
5 that's not bad. That's not a criticism, Kitty. Just  
6 arrows. Because we've always included our stakeholders in  
7 the process. And that's something that the Board is known  
8 for and is good at. And I think we do -- it didn't  
9 reflect the same way there that it did in our book. And I  
10 think we need to make sure that we retain that.

11 Another thing that I think is important is that,  
12 you know, we possibly include the researchers in our  
13 dialogue and early discussions, not just look at what past  
14 research has been done. And I think that may touch on  
15 some of George's comments by, you know, really talking to  
16 the people around the world who are doing it. So whether  
17 it's a workshop or a conference call or an annual meeting  
18 or some opportunity for us to really bring everybody in --  
19 and I do agree, the Board can participate in that portion.  
20 The Board participates in setting the priority. But, you  
21 know, it's woven through what you've done but it's just  
22 not obvious necessarily.

23 But I think it's excellent. I like focusing our  
24 efforts so that we don't, you know, come up to  
25 reallocation and contract proposals and not know where

1 we're going. So I think this will really give us a focus  
2 and a direction and not feel like we're throwing dollars  
3 after repetitive studies that we thought we already did.  
4 And I think that's your buy-in, that, you know, we know  
5 early on what we're doing. You know, our reg process  
6 continues to be interactive where we put things forward  
7 and come back.

8 Howard.

9 PROGRAM DIRECTOR LEVENSON: Yeah, I think we  
10 could accommodate -- I think we could accommodate  
11 everything that the Board and the commentators are  
12 suggesting, up in the first section, between -- two things  
13 here. Between the Research Steering Committee and doing  
14 the survey if first we inserted some box that said we'll  
15 be seeking input from technical experts and researchers  
16 on, you know, what's going on and what they see the needs  
17 are. And then we would use that in terms of developing a  
18 survey to get feedback. Then --

19 CHAIRPERSON BROWN: Well, and maybe that just  
20 flows with arrows both directions. Maybe you just go --  
21 the arrow, it points both ways so that there's an  
22 interactive process with the stakeholders and the Research  
23 Committee rather than one way and a sequential  
24 interaction. So just maybe add arrows and --

25 PROGRAM DIRECTOR LEVENSON: So we could do a



1 back-and-forth arrow between the Research Steering  
2 Committee and the survey, and the survey we could rename  
3 to be survey and technical input or something like that.

4 CHAIRPERSON BROWN: Exactly.

5 PROGRAM DIRECTOR LEVENSON: Then the other thing  
6 we can do is once we have the survey results, before it  
7 gets to the Strategic Policy Committee, is to have some  
8 kind of workshop public exchange again. So it would be a  
9 second iteration of that back and forth.

10 So with those two changes --

11 CHAIRPERSON BROWN: I think it's a working model.

12 PROGRAM DIRECTOR LEVENSON: Correct.

13 CHAIRPERSON BROWN: It's something -- you know.  
14 There's no funding for it. So we're just adopting a  
15 model, right?

16 PROGRAM DIRECTOR LEVENSON: That's all we're  
17 seeking today, is your conceptual approval of the model.

18 CHAIRPERSON BROWN: Any other questions or  
19 comments?

20 We did make -- were we making changes to the  
21 resolution? Do we need to clarify that? Because I think  
22 Member Petersen asked for some clarification in the last  
23 paragraph, "Therefore be it resolved..."

24 COMMITTEE MEMBER PETERSEN: Yeah. Should I just  
25 read it?

1 CHAIRPERSON BROWN: Yes, please.

2 COMMITTEE MEMBER PETERSEN: Okay. "Therefore be  
3 it resolved that the Board delegates authority to the  
4 Executive Director for approval of modifications to the  
5 research model as a pilot." Strike "it involves from a  
6 proposed pilot to a fully operational model in subsequent  
7 years." Just strike that.

8 CHAIRPERSON BROWN: Do I have a second?

9 COMMITTEE MEMBER MULÉ: With that, Madam Chair,  
10 yeah. You're moving it?

11 COMMITTEE MEMBER PETERSEN: I'm moving.

12 COMMITTEE MEMBER MULÉ: Then I'm seconding  
13 Resolution 2008-47 as revised.

14 CHAIRPERSON BROWN: We have movement from Member  
15 Petersen and a second from Member Mulé.

16 Kristen, can you call the roll.

17 EXECUTIVE ASSISTANT GARNER: Chesbro?

18 COMMITTEE MEMBER CHESBRO: Aye.

19 EXECUTIVE ASSISTANT GARNER: Mulé?

20 BOARD MEMBER MULÉ: Aye.

21 EXECUTIVE ASSISTANT GARNER: Petersen?

22 BOARD MEMBER PETERSEN: Aye.

23 EXECUTIVE ASSISTANT GARNER: Brown?

24 CHAIRPERSON BROWN: Aye.

25 Great.

1 COMMITTEE MEMBER CHESBRO: Madam Chair?

2 CHAIRPERSON BROWN: Yes.

3 COMMITTEE MEMBER CHESBRO: Before we do the next  
4 item, there's an ex parte I should have done at the  
5 beginning of the meeting.

6 CHAIRPERSON BROWN: Okay.

7 COMMITTEE MEMBER CHESBRO: I had a conversation  
8 last night with three different individuals from the wine  
9 industry about our compost regs and about on-farm  
10 composting and various ramifications in terms of their  
11 needs in agriculture: Tom Lafille representing the Wine  
12 Institute, Lou Foppiano of Foppiano Winery, and Walter  
13 Schug of Schug Winery. Very interesting conversation.

14 CHAIRPERSON BROWN: Thank you.  
15 Howard.

16 PROGRAM DIRECTOR LEVENSON: Madam Chair, I wonder  
17 if I could be so bold as to seek putting that item on  
18 consent given the revised resolution. And we had also  
19 revised the flow chart to include more of that back and  
20 forth.

21 CHAIRPERSON BROWN: I don't have a problem with  
22 that. Anybody have a problem with that?

23 PROGRAM DIRECTOR LEVENSON: Thank you.

24 CHAIRPERSON BROWN: Okay. Next item, 8, is that  
25 where -- or 7, 8 -- Item 7.

1           PROGRAM DIRECTOR LEVENSON:   Item 7, Discussion  
2   and Request for Direction on Green Material Alternative  
3   Daily Cover.

4           While Brian's getting up here, as you know, the  
5   Board's Strategic Directive 6.1 calls for reducing the  
6   amount of organics in landfills by 50 percent by the year  
7   2020. And over the years, and most recently last year at  
8   a couple of forums we had on bioenergy and on composting,  
9   the use of ADC, particularly green material ADC, has come  
10  up frequently as one of the major issues that impacts  
11  organics materials management.

12           We haven't had a policy level discussion of this  
13  issue for years. And in December we presented you with an  
14  organics road map indicating that we would indeed come  
15  back to you with at least some further analysis of the ADC  
16  issue. And that's the subject of today's item, which is a  
17  discussion item.

18           Certainly ADC use has been the subject of a lot  
19  of controversy and debate since the development of Board  
20  policies in the early 1990s, and then the passage of  
21  legislation in 1996 clarifying that ADC is beneficial  
22  reuse and isn't to be counted as disposal.

23           At the workshops that we had last year  
24  stakeholders suggested a wide range of options dealing  
25  with ADC, from the status quo to phaseouts to changing

1 what's allowed to be ADC, assessing differential  
2 surcharges, eliminating diversion credit, and so on.  
3 Obviously this range of options reflects the very complex  
4 interrelationships that ADC use has with organics markets  
5 on a regional and statewide basis, with local jurisdiction  
6 diversion rates, franchise agreements, producers who make  
7 both compost and ADC and the like.

8           So what we've done in this item -- and Brian will  
9 go through this in a little bit more detail -- is we  
10 pulled together a lot of information, particularly in the  
11 attachment, on the legislative history, regulatory  
12 history, use patterns, impacts on local jurisdictions if  
13 ADC did not count as diversion, some information on the  
14 existing infrastructure and regional markets, and some  
15 summary of research that's -- research on bands and  
16 phaseouts elsewhere.

17           So this is, as I said, a discussion item only.  
18 We're just seeking your general direction on potential  
19 options that might warrant further consideration. And as  
20 anyone can see, at the end of the item we've suggested  
21 that these might include things such as a decrease of fees  
22 on green material ADC use and discussing whether or not to  
23 define green material ADC use as disposal as opposed to a  
24 beneficial reuse.

25           And then certainly I think the one thing that

1 probably everyone can agree on is to continue our emphasis  
2 on inspection and enforcement regarding ADC overuse and  
3 over reporting. The first two of these would require some  
4 statutory change. The third would not.

5           The last thing I want to say before I turn it  
6 over to Brian is that we fully recognize that any of  
7 these -- certainly the statutory changes in ADC policy  
8 will have different effects depending on local and  
9 regional markets, and that changes in the diversion policy  
10 itself could impact some local jurisdiction diversion  
11 rates. And so in the item itself we have suggested a  
12 couple of potential provisions for recognizing that impact  
13 on local jurisdictions if the Legislature was to go down  
14 this route of looking at the diversion versus disposal  
15 issue.

16           And then of course, speaking of the Legislature,  
17 we all know that AB 2640 has been introduced by  
18 Assemblyman Huffman, so we will be monitoring that -- the  
19 progress of that bill as it goes through the legislative  
20 process.

21           So now let me turn to Brian. He's going to  
22 present some more of this information. And then I'm sure  
23 we'll have a few comments from stakeholders on this.

24           Thank you.

25           MR. LARIMORE: Good morning, Chair Brown, Board

1 members. My name is Brian Larimore.

2 I'm told this may be a little more controversial  
3 than our previous item.

4 CHAIRPERSON BROWN: Could be.

5 MR. LARIMORE: I'm going to start off with an  
6 overview of what I'm going to talk about. I'm going to  
7 give you a little background information. Then I'm going  
8 to go into legislative and regulatory history, historical  
9 ADC use including regional issues. And I'll finish up  
10 with potential policy options.

11 There are several drivers that led to this  
12 discussion. Strategic Directive 6.1 calling for the  
13 reduction of the amount of organics in waste stream by  
14 50 percent by 2020. This and other issues led to the  
15 Organic Summit and the Biofuels Forum where we gathered  
16 stakeholder input. Several issues were brought up,  
17 several categories of issues, including ADC policy.

18 Another thing that drove this is complaints from  
19 compost operators regarding a lack of green material  
20 feedstock.

21 --o0o--

22 MR. LARIMORE: At the December 11th Board meeting  
23 the organics policy road map and schedule was discussed,  
24 and the Board directed staff to implement the road map,  
25 including development of a policy item on ADC for March.

1                               --o0o--

2               MR. LARIMORE: On legislative and regulatory  
3 history, I'm just going to briefly go over this. There's  
4 a lot more detail in the attachment.

5               In 1994, we tried ADC regulations to limit  
6 diversion to 7 percent. OAL basically tossed that out,  
7 saying you could do one or the other. You can't be  
8 diversion and disposal.

9               Then there was a lawsuit by the NRDC in 1996 that  
10 claimed ADC use as diversion was illegal. So AB 1647  
11 basically was passed in 1996 to clarify that ADC  
12 constitutes diversion through recycling.

13              Now, following that up, the Board adopted  
14 regulations setting minimum standards for ADC use in 1998.  
15 There were some problems with overuse and misreporting,  
16 and that led to additional regulations in 2006, DRS  
17 regulations and ADC regulations, which really gave us some  
18 more tools to prevent some of the problems we were having.

19                               --o0o--

20              MR. LARIMORE: Now, this figure shows total  
21 statewide disposal and the total amount of ADC of all  
22 material types disposed at Board-approved landfills in  
23 California for 1995 through 2006. In 2006, there were  
24 41.9 million tons disposed and 4.22 million tons used as  
25 ADC, which shows that the ADC amount is equivalent to ten



1 percent of the amount disposed. The trend line shows the  
2 percentage of total ADC in relation to the amount  
3 disposed.

4 --o0o--

5 MR. LARIMORE: Now, this figure shows the total  
6 statewide ADC by Board-approved material type used at  
7 Board-permitted landfills for 1998 through 2006. Prior to  
8 2006, all ADC materials were grouped together. So this is  
9 the earliest data that we got, from 1998. Really what  
10 we're interested in is the actual -- the bottom part of it  
11 is the green material ADC.

12 Between 1998 and 2006 the amount of green  
13 materials used as ADC increased from approximately 1.08  
14 million tons per year to 2.65 million tons per year. In  
15 addition of that, .05 million tons of green waste was used  
16 as alternative intermediate cover and 0.18 million tons of  
17 green waste was used for other beneficial reuse. So just  
18 erosion control and landscaping.

19 If these amounts are combined, then roughly 2.88  
20 million tons of green waste was used at landfills in 2006.

21 I hope I'm not boring you here with all these  
22 figures.

23 --o0o--

24 MR. LARIMORE: So how does green material ADC fit  
25 into the big picture of ADC materials of all types, green

1 materials disposed and total solid waste disposed?  
2 Assuming ADC counted as disposal, green material ADC would  
3 represent 6 percent of total statewide disposal. This is  
4 roughly equivalent to the amount of non-ADC green material  
5 disposed.

6 --o0o--

7 MR. LARIMORE: We're going to talk a little about  
8 regional composting and green material ADC use.

9 The first map shows active compost operations and  
10 facilities throughout the state of varying sizes.

11 The second map shows green ADC by landfill. And  
12 if you look at the legend, the larger circles are  
13 facilities that use more green material ADC. And you'll  
14 note that they're primarily in the Bay Area and Los  
15 Angeles region.

16 There are approximately 298 composting and  
17 organic material processing facilities in California that  
18 produce an estimated ten million tons of compost and mulch  
19 in 2003. Of these, 219 facilities are composters and 79  
20 facilities chip and grind organic materials.

21 As it stands, in order to meet Strategic  
22 Directive 6.1 an additional infrastructure capacity to  
23 process at least 15 million tons per year of organics is  
24 needed by 2020. Assuming all material is diverted to new  
25 diversion facilities, whether composting, anaerobic

1 digestion, or other processes, this will require about 96  
2 new facilities that process about 500 tons per day or 48  
3 new facilities that process 1,000 tons per day.

4           Depending on ADC policy, additional  
5 infrastructure capacity of roughly three million tons per  
6 year could be needed. There are many obstacles to  
7 overcome to increase organic processing infrastructure at  
8 this magnitude.

9           Now, seven facilities accounted for over  
10 50 percent of green material ADC use. Puente Hills  
11 Landfill, which accounted for nearly 11 percent, which was  
12 280,000 tons of green material ADC use in 2006, is  
13 scheduled to close by October 31st, 2013, but could close  
14 sooner if capacity is reached prior to then. We'll have  
15 to find some place for this material to go.

16                               --o0o--

17           MR. LARIMORE: This figure shows the counties  
18 with the highest use of green waste ADC. Basically  
19 landfilled waste on the top, green material ADC on the  
20 bottom. You'll note that Los Angeles, Orange, Riverside,  
21 and San Bernardino use the highest amounts of green waste  
22 ADC and also dispose the most amount of waste.

23           CHAIRPERSON BROWN: Could you go back to that  
24 again?

25           MR. LARIMORE: The ADC -- green material ADC is

1 on the bottom in purple.

2 CHAIRPERSON BROWN: Okay.

3 --o0o--

4 MR. LARIMORE: Before we get into policy options,  
5 I'm going to discuss potential impacts on local  
6 jurisdictions' diversion rates.

7 If green material ADC is counted as disposal,  
8 then statewide diversion rate would drop from 54 to 51  
9 percent. Specific jurisdictions would see much larger  
10 drops in their diversion rates.

11 COMMITTEE MEMBER CHESBRO: That assumes it's  
12 going to go in the landfill as non-ADC. So the same  
13 activity, just no credit, is that --

14 MR. LARIMORE: Right.

15 COMMITTEE MEMBER CHESBRO: As opposed to the  
16 material going for some other use that can be --

17 MR. LARIMORE: If the material flowed into  
18 composting facilities, then you'd have the same diversion  
19 rate.

20 This figure shows 450 local jurisdictions in  
21 California. One hundred seventy-six of these  
22 jurisdictions would not be affected, as 90 don't claim ADC  
23 diversion and 86 use negligible amounts of green material  
24 ADC.

25 Out of these 450 local jurisdictions, 235 could

1 face a decline in their diversion rates if green material  
2 currently used as ADC and AIC is instead counted towards  
3 their DRS disposal tonnage. Specifically, 150 would show  
4 a 1 to 4 percent decrease in their diversion rate, 92  
5 would show a 5 to 9 percent decrease, 24 would show a 10  
6 to 14 percent decrease, and 4 would show a greater than 15  
7 percent decrease.

8 --o0o--

9 MR. LARIMORE: There are four potential policy  
10 options which I'll discuss one at a time: Bans and  
11 phaseouts, diversion credit, disposal fee and/or  
12 surcharge, and inspection and enforcement.

13 --o0o--

14 MR. LARIMORE: Staff is not asking the Board for  
15 direction on bans, since more flexible options are  
16 available. I'm just including this option for the sake of  
17 completeness.

18 When I use the terms "bans" and "phaseouts," I'm  
19 referring to landfill bans of specific types of materials  
20 such as green or compostable materials and bans of  
21 specific uses of materials such as the use of green  
22 material or clean green material for ADC.

23 Bans could be considered the most stringent or  
24 inflexible option. For example, there's no flexibility if  
25 soils or other alternatives are unavailable or impractical

1 at a specific landfill.

2 As with most of the policy options, additional  
3 analysis would be required on infrastructure, markets, and  
4 the time required to phase in any ban.

5 Another issue that should be kept in mind is that  
6 a ban would eliminate the ability of landfill operators to  
7 obtain carbon offsets in the event that greenhouse gas  
8 emission reductions can be shown to come from green  
9 material ADC.

10 --o0o--

11 MR. LARIMORE: Another option is elimination of  
12 the diversion credit for green material ADC. In  
13 recognition of the negative impact on local jurisdictions'  
14 diversion rates, the definition of green material ADC  
15 could be phased in.

16 In the event local jurisdictions were making good  
17 faith efforts to establish and expand organics diversion  
18 programs, compliance orders and penalties wouldn't  
19 necessarily be required.

20 There are several issues that need to be  
21 considered in any discussion of eliminating the diversion  
22 credit. Of course the statewide diversion rate would  
23 drop -- it could drop depending if the material flow isn't  
24 in the composting facilities. Removing diversion credit  
25 would require a statutory change. Site-specific issues

1 would need to be considered. For example, what if a  
2 landfill lacks adequate soil cover or other alternatives?  
3 Distance to markets and other issues.

4 Another option is an ADC rulemaking. Current ADC  
5 regulations are based on a determination that ADC usage  
6 does not provide conditions for the continued economic  
7 development, economic viability, and employment  
8 opportunities provided by the composting industry in the  
9 state. Making a finding that ADC usage does not provide  
10 these conditions would first require an in-depth study of  
11 the many factors affecting landfill and compost economics.

12 The ADC regulations could be revised to place  
13 further limits on allowable ADC materials such as  
14 prohibiting green material ADC.

15 --o0o--

16 MR. LARIMORE: Another option's increasing the  
17 disposal fee and/or surcharge. We have already discussed  
18 making green material ADC subject to the dollar forty per  
19 ton disposal fee. But is an increase of a dollar forty a  
20 ton enough of a disincentive when disposal costs an  
21 average of \$35 a ton due to local tipping fees?

22 A large surcharge may be necessary to change the  
23 underlying economics. Green material ADC could still be  
24 considered diversion so jurisdictions' numbers wouldn't  
25 necessarily be affected. We may need to index landfill

1 tipping fees due to local differences in these fees and  
2 phase these tipping fees in.

3 --o0o--

4 MR. LARIMORE: Nice picture of our inspectors  
5 knee deep in ADC.

6 This option is to continue our emphasis on  
7 inspection enforcement. We believe we have the statutory  
8 tools to address the overuse issues. And we have  
9 scheduled an additional 20 landfill inspections for 2008.

10 Counties' quarterly reports on ADC usage are  
11 reviewed for irregularities and landfill's targeted based  
12 on that.

13 --o0o--

14 MR. LARIMORE: So we're seeking direction on  
15 three potential policy options: Diversion credit,  
16 disposal fee and/or surcharge, and inspection and  
17 enforcement.

18 One last comment before we open things up for  
19 discussion. In any decision on these policy options there  
20 are several issues for the Board to consider: The  
21 infrastructure market's ability to handle green materials.  
22 This includes regional variations in the time required to  
23 increase compost production and develop markets, the  
24 impact on jurisdiction's ability to meet the diversion  
25 mandate, and the fact that additional information is



1 needed on greenhouse gas emissions.

2 This concludes my presentation. Thank you.

3 CHAIRPERSON BROWN: You've left us speechless.

4 Thank you very much.

5 MR. LARIMORE: Are you still awake?

6 CHAIRPERSON BROWN: Yes. Really good. Very

7 good. Thank you. I appreciate that. There's a lot of

8 information and impact and history on this, obviously.

9 We do have several speakers. Or we do have more  
10 speaker slips?

11 So I'm going to call speakers first, and then --  
12 well, I'd like to call anyone else who's thinking about  
13 speaking to bring your speaker slip up so we can have you  
14 speak. And then we'll ask questions afterwards. So we  
15 don't get stuck between speakers again.

16 First one is Grace Chan, L.A. County San  
17 District.

18 MS. CHAN: Good morning, Madam Chair, Board  
19 members. My name is Grace Chan. I'm with the Sanitation  
20 Districts of Los Angeles County.

21 I read the staff report. I found it to be quite  
22 comprehensive. I think it clarified the things that are  
23 at the heart of this issue. It's about the hierarchy.

24 I know that there are those that would not agree  
25 with this. But the Sanitation Districts believe that the

1 use of green waste as ADC does meet the statutory  
2 definition of recycling.

3           It's about the availability of feedstock for  
4 composting operations. The report stated that around two  
5 and a half million tons of green waste is going to ADC  
6 each year. But there's another ten to twelve million tons  
7 of organics that are going to landfill disposal each year.

8           It's about costs. Adding a tax on to ADC to  
9 attempt to incentivize local jurisdictions to use other  
10 organic management approaches will certainly increase  
11 costs to residents and businesses and may have unintended  
12 consequences.

13           It's about facilitating additional composting  
14 infrastructure and markets. As an agency with one of the  
15 largest composting programs in the state, we strongly  
16 believe that composting is a very important part of  
17 integrated waste management. And we welcome your help in  
18 helping develop -- your help on developing new  
19 infrastructure and new markets.

20           It's about climate control. I'm not here to  
21 debate the technical issues. Our experts are at the SWANA  
22 Landfill Gas Conference in Houston, which is why you have  
23 me as a poor substitute today. But we've recently  
24 provided you with information on a study we conducted that  
25 looked at greenhouse gas emission reductions for ADC and

1 composting. Site-specific conditions notwithstanding, and  
2 that's where the life cycle analysis really bears  
3 importance, there may be benefits to ADC as opposed to  
4 other organic management techniques.

5           So all of these facets are very important to  
6 making policy decisions about the use of green waste as  
7 ADC.

8           So while you grapple with, as the staff stated,  
9 and I agree, it's a very complicated issue, I ask that you  
10 keep in mind the mandates that were placed on local  
11 government by AB 939 and the discretion which local  
12 governments need to implement programs that are most  
13 appropriate for their communities.

14           As these discussions progress, I hope to see a  
15 movement toward broadening waste diversion options for  
16 local government, including additional composting  
17 infrastructure and considering all of the relevant  
18 information, rather than applying punitive measures to  
19 limit options further.

20 Thank you very much.

21           COMMITTEE MEMBER CHESBRO: Madam chair, can I ask  
22 Grace a couple questions?

23           CHAIRPERSON BROWN: Yes.

24           COMMITTEE MEMBER CHESBRO: Let me qualify this by  
25 saying that I think the southern California area has a

1 greater justification than most of the state because of  
2 the siting problems. I'll say that up front so I don't  
3 sound too biased in the questions I'm going to ask you.

4           What do you think -- if San District did a public  
5 opinion survey and asked people whether they felt taking  
6 the material they had separated out going back into the  
7 landfill constituted recycling, what do you think the  
8 public response would be?

9           MS. CHAN: Well, I think when they had all the  
10 facts they would agree. We certainly have worked -- I  
11 mean we're governed by mayors of 78 jurisdictions and the  
12 board of supervisors. And given the facts of this  
13 program, they're very supportive that it's a --

14           COMMITTEE MEMBER CHESBRO: I understand the  
15 elected officials are. But I think there's an extreme  
16 lack of public knowledge that that's what's happening to  
17 the green waste that people separate out.

18           And the other question is, regardless of where  
19 you come down on the -- whether this is a good idea or  
20 not, what are you going to do when Puente Hills closes? I  
21 mean that's a huge amount of green waste that's going to  
22 ADC that's going to create a -- and given the alternatives  
23 to where the non-ADC garbage is going to go, what are the  
24 options and -- it seems like the issue's going to be  
25 forced on L.A. Sanitation Districts by change in the

1 disposal location, so some analysis of what's going to  
2 happen with that material is going to take place. You're  
3 facing a day of reckoning about figuring out what to do  
4 with it. So do you have any projection or description of  
5 what might happen with the material after one of the  
6 world's largest landfills closes?

7 MS. CHAN: Well, internally we have a task force  
8 that meets on a regular basis dealing with a whole host of  
9 issues for Puente Hills closure. I mean we're already  
10 dealing with that now.

11 With respect to other markets besides green waste  
12 for materials that are currently going to Puente Hills, we  
13 have an RFP each year that goes out to a broad range of  
14 folks for off-site markets. We do that every single year,  
15 because we receive more material at Puente Hills than we  
16 can use for ADC. So we do ship the excess material, it's  
17 somewhere between 1 to 300 tons per day, to off-site  
18 markets - agricultural uses and composting facilities.  
19 And so we have -- we will continue to work with those  
20 folks that we touch base with every year on where the  
21 markets are, will there be new infrastructure between now  
22 and then? And, again, that's why we do support  
23 development of additional infrastructure. As you say, we  
24 have -- the markets aren't close in. So when you start to  
25 talk about climate control, I mean one of our markets for

1 materials from Puente Hills is north Ventura County.

2 COMMITTEE MEMBER CHESBRO: But hauling it to a  
3 landfill in the desert now suddenly makes the question  
4 of -- the previous question against hauling the green  
5 waste a long distance for composting, I mean the  
6 alternative of obviously using it as cover a long ways  
7 away, the hauling question starts becoming more of a wash,  
8 I would think.

9 MS. CHAN: Well, our strong preference is to see  
10 local markets developed. And that's always been our  
11 preference. I mean in a sense the origin of the ADC  
12 program was really to provide a reliable, steady,  
13 cost-effective local market so that jurisdictions did feel  
14 that they had the ability to invest in separate  
15 collection, which did not exist before the --

16 COMMITTEE MEMBER CHESBRO: All I'm saying, as a  
17 practical matter that appears to be about to go away. So  
18 that's going to mean that this -- a practical analysis,  
19 not a philosophical discussion about which is, you know,  
20 better recycling or not, that sort of is an aside in this  
21 case because you're going to have to -- the communities of  
22 the San District are going to have to confront what's the  
23 most practical marketplace for these materials.

24 MS. CHAN: And we hope to see new local markets  
25 between now and then.

1 COMMITTEE MEMBER CHESBRO: Thank you.

2 CHAIRPERSON BROWN: Any other questions for  
3 Grace?

4 Thank you very much for being here, Grace. I  
5 appreciate that.

6 Our next speaker is George Eowan.

7 MR. EOWAN: George Eowan representing California  
8 Refuse Removal Council.

9 You have the unenviable task of tackling this  
10 issue. And I just want to say up front that we are  
11 dedicated to working with you on it and to find solutions.  
12 We realize that nothing stays the same forever and things  
13 change. And certainly the organics part of the waste  
14 stream and what we're going to do with that in the future  
15 is a big part of what this Board is doing and a big part  
16 of what our industry is working on in terms of -- we  
17 understand that's a major part of the future of waste  
18 management in California, and we're working hard on that,  
19 as we have in the past. I mean we as an industry have  
20 spent \$10 billion developing an infrastructure that can  
21 handle and divert materials and so forth. And we fully  
22 expect that that's going to increase. How that comes out,  
23 I don't know. But we do believe that aerobic composting  
24 is a significant part of that, anaerobic composting is I  
25 think going to be a significant part of that, I think

1 conversion technologies are going to be a significant part  
2 of that.

3 But there's a problem. And the problem is -- I  
4 think the biggest problem -- well, maybe there's two. But  
5 one is siting and permitting. I'm not telling you  
6 anything you don't already know, but it's a serious issue.  
7 And the other one is the economics and cost. I mean we  
8 can't make decisions, or ought not to make decisions in a  
9 vacuum, and we have to consider all of those things. And  
10 so therefore I would like to share with you the CRRC's --  
11 as I have already with many of you -- our policy on ADC.

12 The first one is the rather famous slogan, "No  
13 ban Without a Plan" concept, that a member of our group --  
14 who may be around here -- has put forth in the past. But  
15 what we're talking about really is, you know, just to ban  
16 something or even to phase out something over a period of  
17 time without some kind of commensurate understanding and  
18 implementation of an infrastructure that goes along with  
19 processing that, I think kind of leaves things unfinished.  
20 And we are more than willing to participate in that  
21 process of building new facilities and so forth. But we  
22 think, you know, that the Board needs to also step up and  
23 assist those that want to build these kinds of facilities,  
24 and through some kind of a permitting process that makes  
25 it easier to do, but still protects the public health,



1 safety, and the environment.

2 And so some kind of streamlined permitting  
3 process I think is important, that's commensurate with  
4 this phaseout. So whether you call it a trigger or some  
5 way of understanding how that works.

6 I think one of the -- just as an aside, one of  
7 the mistakes or holes in 939 was we required in 939 an  
8 assurance by every local jurisdiction to have a certain  
9 amount of disposal capacity. But we never really said,  
10 you know, "Tell us what your diversion capacity is." And  
11 really I think it was 15 years of disposal capacity  
12 required. Well, what are we doing about the diversion  
13 capacity. If we're really looking at a zero-waste future,  
14 how do we know where we are now and what, you know, local  
15 jurisdictions are looking for in the future? So maybe  
16 there's a way to look at diversion capacity and this  
17 issue. And I see that there's some potential connections  
18 there.

19 I think that everybody needs to participate in  
20 this. If we were going to build more composting  
21 facilities, whether they be aerobic or anaerobic, the  
22 local governments ought to participate in the use of that  
23 material. So some kind of a take-back program where  
24 there's kind of a mutual benefit and a good story to tell  
25 as well.

1           And I do want to say that we do support Strategic  
2 Directive No. 6, 50 percent of the organics out of the  
3 landfill by 2020, you know. Maybe that's not as  
4 aggressive as some would like. We're working hard to make  
5 that happen as fast as possible in our industry.

6           Thank you very much. We do look forward to  
7 working with you.

8           COMMITTEE MEMBER CHESBRO: Madam Chair.

9           So if you take the brilliant thinking of your  
10 colleague and say, okay, no ban without a plan, well,  
11 maybe we need to have a plan, and then leading to the ban.  
12 But, you know, put the horse in front of the cart and  
13 start moving it as opposed to just saying, "Well, we don't  
14 have the horse in front of the cart so we can't move the  
15 cart."

16           So just thinking off the top of my head here, if  
17 we're talking about legislation that's going to phase out  
18 the incentives or the credits, then maybe we ought to be  
19 requiring those jurisdictions that have taken advantage of  
20 green waste ADC credits to come up with a plan for phasing  
21 it out, just giving them a timeframe and putting in place  
22 the steps that they're going to take to implement it.  
23 Just to turn it around a little bit.

24           MR. EOWAN: Is that a question or just a comment?

25           COMMITTEE MEMBER CHESBRO: Well, I'd like your

1 response if you have one.

2 MR. EOWAN: Well, I do have a -- the response is  
3 to that comment that you can have a plan that's well  
4 meaning, but it still has to incorporate I think those two  
5 issues, and, that is, the siting and permitting issue and  
6 the economics issue. If we don't address that, any plan  
7 in and of itself -- maybe my colleague's plan before the  
8 ban ought to have had some other things attached to it.  
9 But I think -- you know, just the plan in and of itself  
10 sitting on a bookshelf saying this is what we intend to do  
11 or whatever isn't enough. You have to come to a  
12 realization that you're not going to see these facilities  
13 built without the, you know, the economics working and the  
14 siting and permitting. I mean if you just go out there  
15 and try and site one of these things, you find out right  
16 away a plan doesn't really matter without all these other  
17 things in place.

18 COMMITTEE MEMBER PETERSEN: Madam Chair.

19 George stole my thunder and you said everything I  
20 was going to say. Thanks, George.

21 You know, I've sited these facilities. We've  
22 built these facilities, we've worked in the market to try  
23 and get the economics to happen. And he's right. You got  
24 to -- we got to build the marketplace. And we're going to  
25 have to look at emerging technologies. And maybe we're

1 not just going to be producing -- let's say in an  
2 anaerobic system we're not going to just produce a  
3 compost. We're going to produce proteins or other types  
4 of product that drives the marketplace. Then the stuff  
5 will start coming up.

6           This is just like it was in the early days of  
7 recycling. We were flooding the markets in newspaper and  
8 glass and all those other things. And so the light went  
9 on one day and says, "Well, who else uses lots of  
10 material?" Well, the construction industry. So we went  
11 over there and said, "Here's some glass for your  
12 fiberglass batting. Here's some newspaper for your liner  
13 board. Or you want to use this for your cover board for  
14 your gypsum?" That's what we had to do. And this is the  
15 same thing.

16           This is tough, because siting these things is  
17 just insane.

18           Anyway, thanks.

19           PROGRAM DIRECTOR LEVENSON: Madam Chair, could I  
20 just add a couple of comments in there on the siting  
21 issue. And certainly that's something that we recognized  
22 in the organics road map in December. This particular  
23 item today of course is just one sliver of that broader  
24 spectrum.

25           And I do want to point out that we have two

1 organics siting workshops being put on by our Waste  
2 Compliance Program in conjunction with us. One is at  
3 Biocycle next month. I think it's April 16th. I might  
4 have that date incorrect. And then the following week  
5 here at Cal/EPA on the siting issue. So that's clearly an  
6 opportunity for discussion in terms of what can the Board  
7 and various stakeholders do to foster the siting issue.

8           On the permitting side of course we have many  
9 issues with permitting, mostly with our local air  
10 districts and our regional water boards. And we are  
11 engaged with a variety of the stakeholders -- many of the  
12 stakeholders out here in dealing with some of those  
13 issues.

14           Certainly financing is a big issue. I think  
15 that's one of the reasons why we've included in the item  
16 the idea of a dollar forty or so tip fee regardless of  
17 whether this is called diversion or disposal, because that  
18 could be used for grant programs that are related to  
19 organics management.

20           CHAIRPERSON BROWN: Thank you, Howard.

21           Okay. I'll charge forward on our speakers.  
22 Next up is Chuck Helget.

23           MR. HELGET: Madam Chair, members of the  
24 Committee. Chuck Helget representing Allied Waste today.

25           I guess the "ban without a plan" debate kind of

1 points us to why slogans typically don't work very well  
2 when you're trying to solve problems.

3 (Laughter.)

4 MR. HELGET: I would also like to compliment  
5 staff on the staff report. It's a very well balanced and  
6 a very good document and I think a good start to  
7 developing a plan.

8 I would also like to note that alternative daily  
9 cover, much to I hope your surprise, is not the moral  
10 equivalent of methamphetamine addiction. In fact, you  
11 might argue that it's a methane addiction. But I think  
12 that, all in all, it's not an addiction at all.

13 Alternative daily cover is a very viable and  
14 valuable use in the landfill system. And I think it has a  
15 very viable place in the AB 939 hierarchy and in going  
16 forward in how we handle organics.

17 In truth, alternative daily cover, whether it's  
18 green materials, MRF finds, provides a viable and useful  
19 substitute for soil. And in many cases landfills have to  
20 import soil at a significant environmental impact.

21 And it is also a method of saving air space in  
22 landfills, which is also a valuable resource.

23 And, thirdly, if managed properly, organics in  
24 landfills produce methane. And if that methane is managed  
25 properly and collected efficiently, it provides a valuable

1 energy resource.

2           Also, I don't want to get into the greenhouse gas  
3 benefits of ADC as opposed to other uses of green waste.  
4 I think all I would point out there is that your staff is  
5 doing a life cycle analysis. And I would suggest that  
6 before you do anything Draconian with regards to  
7 alternative daily cover, let's see what the life cycle  
8 analysis are for all of these various uses, and then let's  
9 move forward on assumptions of whether we can preserve  
10 or -- whether ADC is a greenhouse gas net contributor or  
11 perhaps there's actually some net value if it's used  
12 properly. And I think that information is very, very  
13 important for all of us to have. And I know that  
14 everybody in this room is working diligently on making  
15 sure that their particular points of view are represented  
16 in that life cycle analysis as well.

17           Lastly, I think the very important point that was  
18 brought out in your staff report was markets and the  
19 variability in markets. What happens in the Bay Area  
20 market is significantly different than what happens in the  
21 San Diego market. In fact, the San Diego market, I could  
22 argue, that you actually have composters and landfillers  
23 living in sort of harmony, and a productive harmony. But  
24 in the Bay Area you have landfills that operate composting  
25 operations. Nuby Island is one of Allied's, a large

1 composting operation there. And it's an extraordinarily  
2 competitive market, where landfills with composting  
3 operations are competing aggressively with independent  
4 composters.

5           Now, if you -- and I'm not a proponent of a ban,  
6 by any stretch of the imagination. But if you impose a  
7 ban, how does that then impact those markets? Well, I  
8 would suggest it might impact them differently. In the  
9 Bay Area what you might end of doing is giving independent  
10 composters a competitive advantage. And that may be, you  
11 know, your purpose.

12           But at the same time what you might be doing is  
13 running a composter in the San Diego area out of business.  
14 Now, is that creating a net gain in terms of supporting  
15 organics out of landfills? I would submit no.

16           I think what you need to do is consider very  
17 seriously, and particularly with regard to more of the  
18 Draconian policy issues that were raised today, how this  
19 is going to impact markets regionally. I think it's a  
20 very, very important point to consider as we all move  
21 forward.

22           Finally -- I said that twice. I'm sorry. I  
23 would support again staff's -- the staff's report in  
24 general and the policy considerations that are laid out.  
25 I would submit that there are others that we should be



1 looking at as well. But that list could be very, very  
2 long. But we are not -- we as a group of interested  
3 parties and you as a Board are not going to get to the  
4 solutions of your organics issue and you're not going to  
5 get Strategic Directive 6.1 achieved without the  
6 cooperation of everybody in this room.

7           And Allied, my client, we're committed to working  
8 with people and we're committed also to reducing the  
9 rhetoric and getting at the facts and working on a very  
10 positive way of finding markets for expanding, not just  
11 composting, but composting first because we've got the  
12 infrastructure there -- but expanding composting,  
13 expanding anaerobic digestion, aerobic decomposition,  
14 whatever we can find that would provide a viable positive  
15 environmental impact, profitable -- this is going to have  
16 to be profitable -- and move forward and getting those  
17 kinds of facilities sited. And it's not going to be easy.  
18 I'm not sure that I would argue to you that the great  
19 solution to this whole problem is removing all the siting  
20 barriers, because, quite frankly, that's going to be  
21 extraordinarily difficult. Your solutions are going to be  
22 regional. We're going to have to look at regions that  
23 don't have these facilities sited and figure out in some  
24 particular areas that there may be -- it may be easy to  
25 remove the siting barriers, in others it's virtually

1 impossible. And I think Board Member Chesbro acknowledged  
2 in L.A. the solutions in L.A. are going to be very  
3 different than they might be in the Central Valley.

4           So, again, I'm offering today that there are  
5 solutions. Maybe we're looking at some sort of a phase-in  
6 of caps and how we deal with certain types of green  
7 materials. And look at the waste stream I think  
8 differently. Clean green going to composting makes a lot  
9 of sense. But why would you want to ban contaminated  
10 green material from use as ADC? Where is it going to go?  
11 It's going to go into the landfill, it's going to be  
12 disposed, and nobody benefits from it. So think about  
13 that waste stream in a different way.

14           Other policy alternatives you might consider  
15 are -- right now you have -- we have a state system of  
16 allowable ADCs in your regulations. One of the things  
17 that we don't have included in that list are MRF finds. A  
18 viable alternative. But right now a lot of MRF finds are  
19 being called to landfills and disposed; when, with  
20 appropriate testing and appropriate demonstration projects  
21 we could get those demonstration projects approved  
22 locally, you've got another viable source. That would be  
23 a very good substitute in some markets for clean green  
24 material.

25           So think of it from those perspectives. What

1 other moving parts might there be where we can do  
2 something positive instead of banning?

3 And with that, I'll answer Senator Chesbro's  
4 questions.

5 COMMITTEE MEMBER CHESBRO: I actually wasn't  
6 going to ask a question or even ask you to respond to a  
7 statement. I was going to say though I think it's really  
8 important for us as a board to distinguish between ADC as,  
9 in fact, overall legitimate form of recycling, replacing,  
10 you know, with a number of different materials, and  
11 whether or not green waste is the appropriate material to  
12 be doing that with. And so I think the debate is really  
13 about -- that we have is really about green waste. So if  
14 there's another material that gets tested has no other  
15 economical use and it's substituting for soil, I think  
16 that discussion is settled. It's a different discussion.  
17 It's really whether or not AD -- whether green waste has a  
18 better use. I think that's what we're talking about here.

19 MR. HELGET: Thank you.

20 CHAIRPERSON BROWN: Thank you, Chuck.

21 Next up, Scott Smithline.

22 MR. SMITHLINE: Madam Chair, Board members. My  
23 name is Scott Smithline and I'm with the environmental  
24 group, Californians Against Waste.

25 Wow. This is an important meeting for you guys.

1 It's an important meeting for this industry. And I'm  
2 really encouraged by the tone and tenor of the testimony  
3 up to this point. This is obviously a very controversial  
4 issue.

5 I agree with Mr. Helget, that to move forward all  
6 stakeholders are going to have to come together and try  
7 and agree on moving this issue. I implore you to take the  
8 lead in that process. I'm not going to say anything in  
9 the next two minutes that you don't already know. I doubt  
10 that many of us will.

11 So I think that the staff report was valuable and  
12 I think the staff did a good job of laying out the primary  
13 issues that are before you. I'd like to make just a  
14 couple comments.

15 I think the key point here is that there's an  
16 understanding that the use of green material, as Board  
17 Member Chesbro just identified, the giving of diversion  
18 credit for that is really fundamentally at odds with what  
19 the original intended goal of AB 939 was. That we have  
20 identified that there's a problem with this policy. I  
21 don't think anyone would disagree that technically that  
22 use qualifies as recycling as it's defined in the statute.  
23 I think our point is that the statute is problematic. And  
24 that's what we're here to talk about.

25 I'm not going to go into all the opportunity

1 costs, environmental costs. I'm going to take a pass on  
2 the climate change issue and leave that to your staff.  
3 And I'll let you take your recommendations from them. We  
4 could talk about that for an hour. But just let it be  
5 said that we think that there are a lot of environment  
6 opportunity costs and economic opportunity costs  
7 associated with this problem.

8           The extreme regional reliance could definitely  
9 become a problem if -- well, I actually didn't bring my  
10 numbers up with me. But the top ten green waste ADC users  
11 in this state account for 64 percent of the ADC, the top  
12 ten facilities. So we have an extreme over-reliance.

13           I think of the three options that your staff laid  
14 out, the third option I would -- without attempting to  
15 sound too critical, I would characterize as a no-change  
16 option, frankly. I think that this problem has proven  
17 itself to not be amenable to enforcement. The local  
18 enforcement agencies have told us they do not want to be  
19 the diversion cops. And I don't think we're going to  
20 enforce our way out of this situation. There's no  
21 additional funding for that particular approach.

22           So I guess I would urge you to consider a  
23 combination of items 1 and 2 in some form. Obviously that  
24 would require some form of legislative change at some  
25 point. And I don't think you need to consider them in a

1 vacuum. Obviously there are other recommendations that  
2 have been made, modifying the composting regs to open up  
3 food waste into different tears, having local governments  
4 identified diversion capacity. I think that's a really  
5 important point. I think it's particularly apropos to  
6 organics. I think it's less so for bottles and cans and  
7 inerts potentially. But for green waste, since this is  
8 something that's recycled locally within the state, I  
9 think it's an extremely valuable concept to consider.

10           And I guess I'll just close by saying that I  
11 think that we would consider Strategic 6.1 a failure if we  
12 got to 2020 and we had diverted a significant amount of  
13 organics from the landfill, yet we were still taking the  
14 source-separated clean green waste and putting it in the  
15 landfill. I think that's got to be considered an  
16 important component of SD 6.1.

17           And so, again, I'll just close by saying I think  
18 it's time for this Board to put both feet in, and it  
19 appears that that's what's happening. I've been working  
20 on this for a number of years, as have others, and there's  
21 been a lot of one foot in and one foot out. And we really  
22 hope that there's an opportunity here to put both feet in  
23 and to work with all the stakeholders and move this  
24 policy.

25           So thank you.

1 CHAIRPERSON BROWN: Maybe if we're just testing  
2 the water before we put both feet in. I'm not saying that  
3 we're not going to jump in.

4 Okay. The next person, Michele Young from San  
5 Jose.

6 Thank you, Scott. I'm sorry, I didn't thank you  
7 for coming.

8 MS. YOUNG: Madam Chair, members of the Board.  
9 Thank you for having this valuable discussion today --  
10 ongoing discussion. My name is Michele Young and I'm here  
11 representing the City of San Jose today. I'm also the  
12 Chair of the California Organics Recycling Council with  
13 CRRA.

14 But today I would like to bring San Jose to the  
15 table as one of the partners in your goals for reducing  
16 green waste into the landfill, and give you a little bit  
17 of information about the things that we've been trying  
18 over the years and places where we've seen successes in  
19 our program.

20 We currently have residential contracts, some of  
21 the largest green waste collection contracts probably in  
22 the country, certainly in the state. And we have contract  
23 provisions for minimum amounts of composting and no ADC or  
24 beneficial reuse. These are codified in our contracts and  
25 we've made these available to other cities to use in their

1 contracts as well. So we've seen that to be very  
2 successful.

3           We've also had since the beginning of our  
4 contracts in 1991 city-supported market development. We  
5 use the material in the city. We support research and  
6 outreach with compost. And so one of the things that we  
7 have learned is that markets don't just exist. They  
8 really do have to be developed over a long period of time.  
9 And municipalities and other agencies have a vital role in  
10 making sure that that happens. It doesn't just exist.  
11 Wouldn't that be nice, a market that's just readily  
12 available for you out there.

13           So these are things that our city council has  
14 supported in our policy of highest and best use. So we  
15 really feel that there is a hierarchy for our green  
16 materials.

17           We're currently working on restructuring our  
18 commercial system in order to include some of these kinds  
19 of provisions in our commercial contracts. And as we go  
20 towards our zero waste goal, we're looking at  
21 infrastructure certainly locally, but we're opening this  
22 up and exploring options for local infrastructure  
23 including digestion, biogas, and increased composting  
24 capacity. We are certainly lucky that we have  
25 infrastructure in our area. But we do see the role that



1 the city has had over the years in generating that  
2 capacity. We have provided guaranteed tonnages to our  
3 composters, which has enabled them to develop a strong  
4 infrastructure locally. Marketing support again is  
5 helpful as well.

6 As we look at some of these options for our zero  
7 waste implementation, one of the things that we do see  
8 economically is cheap ADC is hurting the economic options  
9 of our proposers, who would like to come in and set up  
10 facilities. So that is something that we're aware of.

11 We also -- as a result, our council has directed  
12 our legislative representatives in the state to  
13 collaborate with probably 1020 but to add language for  
14 organics infrastructure and to statewide legislation. So  
15 from a local level, we are trying to make a statewide  
16 impact to continue to develop the infrastructure for  
17 highest and best use.

18 So, again, San Jose is here today as a partner in  
19 this process. And we're definitely supporting the goals  
20 and the report of the staff. And we do want to offer  
21 ourselves up as a partner, as a model in this process.

22 So we're appreciating being here.

23 Thank you.

24 CHAIRPERSON BROWN: Thank you, Michele.

25 Any questions?

1           Okay. Thank you very much.

2           Chuck White, you're up.

3           MR. WHITE: Thank you, Madam Chair, members of  
4 the Board. Thank you for the opportunity to speak briefly  
5 on this matter, which seems to be a recurrent theme and a  
6 matter of ongoing controversy.

7           You've got the three issues that you're looking  
8 at: Eliminate or restrict diversion credit for ADC; fees  
9 on ADC disposal; and, three, focus on surveillance and  
10 enforcement.

11          Now, I'd ask you to consider adding a fourth,  
12 which would be to expand to additional data collection and  
13 development of a plan that has regional and local  
14 components relative to both organics and, as a subset, ADC  
15 management.

16          We happen to have a landfill in Assemblyman Jared  
17 Huffman's district, Redwood Landfill, that has a huge  
18 composting operation. I invite anybody that would like to  
19 come out and take a look at that. We have piles and piles  
20 of beautifully processed compost. And we absolutely  
21 cannot sell it and get rid of it. Occasionally large --  
22 it just sits there. We use it at the landfill for cover  
23 and we use it for landscaping purposes. There is  
24 absolutely no market.

25          We're doing everything we can to try to expand

1 the marketing of this compost. But it's just an example  
2 of one local situation that we produce it but we can't get  
3 rid of it and make any money on it.

4           There's a lot of rhetoric on ADC. What is  
5 missing is really a truly independent and an objective  
6 evaluation of really four component parts: One, the  
7 greenhouse gas and energy components associated with,  
8 whether it's ADC or organics in general. The second one  
9 being the economics, and the third being the facility  
10 siting requirements. Other folks have mentioned that  
11 there needs to be a plan. We really support the  
12 development of a plan for California for the management of  
13 organics and a subcomponent, that of materials that are  
14 used for ADC. A major part of this plan we think the  
15 Board -- we hope the Board is already working on  
16 developing through your organics life cycle analysis,  
17 which has the greenhouse gas, the energy and the economics  
18 component of the broad range of organic materials,  
19 including materials that could be used for ADC.

20           This organics life cycle analysis we're looking  
21 to, we're hoping it's going to be very objective. We hope  
22 it will be very informative of what are the alternative  
23 means for managing organics that are in the waste stream,  
24 whether it's in a landfill or as ADC or as compost or for  
25 waste-to-energy purposes. And we really need to get this

1 on the table and start developing a plan from that point.

2 And as my friends, George Eowan and Evan Edgar,  
3 have stated, and it was mentioned previously, there should  
4 be no ban without a plan.

5 And we urge to Board to go forward in further  
6 objective information gathering. What is the relative  
7 economics? You know, we basically charge a fee for ADC  
8 coming to a landfill -- that's used for ADC. Composters,  
9 do they charge the same kind of fee? What is the economic  
10 differential there? We don't see that kind of detailed  
11 information on a regional or local basis. And so we would  
12 urge that there be a plan developed that would go forward  
13 and take a look at how these alternative organic materials  
14 should be managed in the waste stream, either landfill or  
15 outside of a landfill.

16 Thank you very much.

17 CHAIRPERSON BROWN: Thank you, Chuck.

18 COMMITTEE MEMBER CHESBRO: Well, Madam Chair, I'm  
19 just Mr. Little Argumentative today. We're all good  
20 friends.

21 MR. WHITE: Absolutely.

22 COMMITTEE MEMBER CHESBRO: But I've got to say,  
23 Chuck, that -- you know, Marin County is a county that has  
24 set an official goal of becoming an organically certified  
25 county where every single farmer in the county is

1 certified. Okay? It's also located at the gateway to the  
2 wine country, where the agricultural sector in our state  
3 that has led the way for the use of high quality compost,  
4 which is the wine grape industry in Sonoma County, in Napa  
5 County, in Lake County, and Mendocino County. And other  
6 composters are figuring out how to develop that business  
7 relationship.

8           So, you know, if you're located out in the middle  
9 of San Joaquin Valley, agriculture hasn't quite bought in  
10 as much, and maybe some other places in the state where  
11 finding the market is more of a goal. But, boy, in the  
12 North Bay it's really hard for me to swallow the argument  
13 that there aren't farmers that are ready to purchase  
14 compost that meets their specifications.

15           I find that ADC use in Marin County as -- I mean  
16 that one -- like I said earlier, I'm sympathetic to the  
17 problem with siting a facility in southern California. I  
18 understand that's a real tough nut to crack. But the idea  
19 that we're doing ADC at the level we are at that landfill  
20 in that particular region of the state just kills me.  
21 Honest to God, I'm just being really frank with you, it  
22 just --

23           MR. WHITE: And, frankly, it kills me too. But  
24 we produce a high quality compost there that just  
25 absolutely there's no market for. And any suggestions you

1 or anybody else has on how we can get the market out  
2 there -- there needs to be market development for compost,  
3 and that should be the focus of this Board to a large  
4 degree. And not by itself, but in concert with all the  
5 other measures. There needs to be a plan on how we can  
6 get this out. Sure, maybe Waste Management can do a  
7 better job marketing. And we're going to try to expand on  
8 that. But I mean it's been sitting there, everybody knows  
9 it's sitting there. And we talk to all the composters in  
10 the North Bay. And do they want to come and take this  
11 material? And they don't.

12 Thank you.

13 CHAIRPERSON BROWN: Thank you, Chuck.

14 Last speaker, Matt Cotton.

15 MR. COTTON: Good morning, Madam Chair, members  
16 of the Board. I'm sort of surprised I'm the last speaker.

17 I sat and wrote down about six pages of comment,  
18 and I thought most of them would get covered. Most of  
19 them did.

20 I agree with Scott and George and Chuck on a lot  
21 of this. I think a lot of us have been talking about this  
22 for a long time. I think we know the issues, we know some  
23 of the solutions, I think. The only really good  
24 recommendation I've come up with is that we really need an  
25 informal working group to sit down.

1           Chuck and Scott and I happened to talk in the  
2 hallway and came up with a really good idea. And I think  
3 we need a nice informal working group where we can sit and  
4 really discuss some of these issues without the formality  
5 of a hearing like this, without some of the baggage we all  
6 carry to this. Because I think it's been time. We've had  
7 ten years. How much further along would we be -- this is  
8 such a chicken and egg issue for me. It drives me nuts.  
9 But how much further along would we be developing that ag  
10 market if we'd been developing those compost markets for  
11 the last ten years and not just relying on the ADC  
12 markets?

13           The biggest grape grower that I know using  
14 compost isn't up in Napa, isn't up in Sonoma. He's in  
15 Yolo. R.H. Phillips uses tremendous -- yards and yards,  
16 hundreds of thousands of yards of compost. So it's not  
17 just a Napa phenomenon, it's not just a Sonoma phenomenon.

18           San Jose was shaking their head, wondering why  
19 Waste Management can't seem to market compost. And I  
20 don't mean to disagree with Chuck. But I don't  
21 understand -- that is confusing to me that that composter  
22 is having a hard time selling that compost. San Jose  
23 isn't having any hard time selling all their compost, and  
24 they make quite a bit more. We had testify from five  
25 composters up here back in May. None of them were

1 identifying markets as a problem.

2           We have the single greatest agricultural  
3 production in the world. And as Senator Chesbro  
4 mentioned, we have key buy-in by major stakeholder groups.  
5 Grapes are one of the single biggest economic value  
6 commodities in the state, and they're very much bought  
7 into using compost. They're not the only one. Just about  
8 every crop we grow here in California and many -- we've  
9 made many in-roads. We'd be so much further along but for  
10 the -- to my opinion, except for this ADC policy. We've  
11 been using that as a crutch.

12           Siting? Yeah, it's hard to site composting  
13 facilities. I say that as someone who's worked on about  
14 30 composting permits in California. As some of you know,  
15 I got one -- helped assist in getting one approved just  
16 yesterday. I was very happy to see that. Cheryl Peace  
17 made a great comment about how nice it was to see a  
18 composter without any violations -- in a five-year history  
19 no violations. Great composter. Not an easy process.  
20 But it was done, and it gets done every day. Is it harder  
21 with the ADC policy in place? Yeah, it is. By one  
22 estimate, there's 30 to \$60 million that would be  
23 available to develop the composting infrastructure and the  
24 composting markets if we weren't using the ADC policy. I  
25 get that by taking the three million tons times about a



1 statewide average of 10 to \$20 a ton tip fee for green  
2 waste. You know, if we want to incentivize more  
3 composting, that's great.

4           Is it only going to be composting? No, of course  
5 it isn't. But I've been hearing about a market glut for  
6 compost since I started coming to these meetings back in  
7 1990 when the Board put me on their compost advisory  
8 panel. That was 1993. A lot of compost, not going to be  
9 able to market the compost. I don't think that's  
10 materialized. I have yet to see that materialize.  
11 Individual facilities here and there, sure. And maybe  
12 that's because they're not putting enough emphasis to it.

13           I do think there are a couple of solutions. I  
14 think an informal working group is great. I love what  
15 George mentioned, this idea that we require jurisdictions  
16 to identify diversion facilities as we do landfill  
17 capacity. We're at 50 percent and maybe increasing past  
18 50 percent. So why shouldn't we require jurisdictions to  
19 identify those diversion facilities, perhaps give them an  
20 impetus to site those facilities, to develop those  
21 facilities, to get a sense of urgency that we need these  
22 facilities.

23           I mentioned the idea of an informal working  
24 group.

25           The only other two good ideas I had, I want to

1 reiterate an idea of allowing lower tier -- the  
2 notification tier facilities to use -- to be able to  
3 accept and process food waste, because I think we're going  
4 to need to be composting a lot more food waste. I want to  
5 have that three million tons of green waste available to  
6 help co-compost that food waste or co-digest that food  
7 waste. And maybe, just maybe we should provide an  
8 incentive for landfills to compost those. As Chuck  
9 mentioned and I think Chuck Helget mentioned -- Chuck  
10 White, excuse me, and Chuck Helget both mentioned, we do  
11 have about 20 composting facilities at landfills. That is  
12 a great place to put a composting site.

13           Currently in the composting regs -- you may not  
14 be aware of this -- we provide a very low threshold for  
15 compost facilities sited at a waste water treatment plant.  
16 The single -- probably the world's most expensive  
17 composting plant, the Inland Empire facility, it's a \$70  
18 million composting facility, indoor, 400,000 square foot  
19 building, that is permitted at the lowest possible tier  
20 because they're at a waste water treatment plant. That's  
21 perhaps a pretty good incentive. Maybe we should extend  
22 that incentive to composters at landfills. And, again, we  
23 should do the same with food scraps.

24           I think that's all I have. Thank you very much  
25 for your attention.

1           CHAIRPERSON BROWN:  You're nearing talking as  
2 fast as Evan Edgar.  I'm just warning you.  You know, you  
3 talk so fast.  I can't write that fast and take it all  
4 down.  But, you know, you're not quite at Evan's  
5 twelve-step-program dialogue.  But you're getting close,  
6 Matt.

7           MR. COTTON:  You know, he uses the same phrases  
8 over and over though.  I'll try to be a little less  
9 nervous.

10          CHAIRPERSON BROWN:  I know.  We've had this same  
11 dialogue for ten years.

12          MR. COTTON:  I'm just concerned of the knives  
13 that may be hurling towards my back.  I'm trying to get up  
14 and down as fast as I can.

15          (Laughter.)

16          CHAIRPERSON BROWN:  Thank you.

17          Does anyone have -- I'm sure we have questions  
18 for Matt before he steps back.

19          Do you have any?  Okay.

20          MR. COTTON:  Or not.

21          CHAIRPERSON BROWN:  Or not.  Thank you.

22          MR. COTTON:  Thank you.

23          CHAIRPERSON BROWN:  I know it's engendered a lot  
24 of questions and discussion.  So I will start at my right,  
25 go to my left, go to my right.

1 Gary, you want to start?

2 COMMITTEE MEMBER PETERSEN: Well, we've been  
3 talking about this a long time. And I look at this as  
4 regional, coming from L.A. and seeing the regions down  
5 there and dealing with recycling and composting in that  
6 area, and watching what goes on in the Bay Area and in  
7 northern California, there's no one answer. And I think  
8 the landfill's got a -- everybody who said something here  
9 had real good comments about an approach. And I think  
10 that informal workshop's a great idea. But we got to stop  
11 talking about this and figure something out and get going  
12 on it.

13 And, Howard, I thank you for the staff and the  
14 way you've put this together. And I think that we've got  
15 to put some drivers in here. Maybe it is fees. But we've  
16 got to put some drivers in here to make this happen. And  
17 I think we're going to have to explore that.

18 Maybe I'll come up with an idea. That's scary.

19 (Laughter.)

20 COMMITTEE MEMBER CHESBRO: Madam Chair?

21 Well, I guess my position on this is pretty well  
22 known. I don't keep it too well concealed.

23 On the other hand, I think those who I've been  
24 working -- I've been working with on this for over a  
25 decade, going on 15 years, know that I have understood

1 that ADC had a role to play. So it's not a simple black  
2 and white issue.

3 But just to recreate a little bit of history, I  
4 think almost everybody agreed it was a temporary solution.  
5 A lawsuit got filed in which the discussion became is it  
6 completely not allowed or does it need to be absolutely  
7 allowed? And in response to the lawsuit I think  
8 legislation got passed which put it in statute. But I  
9 don't think ever in my estimation has there been a sense  
10 that it's some sort of a good permanent solution when you  
11 have a material that clearly has been identified as having  
12 a higher value.

13 And, again, not questioning the underlying  
14 concept of ADC replacing imported dirt with some other  
15 material that would be going into the landfill. That's a  
16 different thing. But we have a strategic directive to get  
17 green waste out of the landfill. This Board does. Fact.

18 Secondly, and this is just my opinion, but  
19 nobody's really done anything to disprove it yet, which  
20 is, I think that if you go out and ask virtually anybody  
21 who's putting green waste into a separate container if  
22 they would feel that that material going back into the  
23 landfill constituted recycling, you'd be really cruising.  
24 And I just think it's a matter of amazing good unfortunate  
25 for southern California -- and I understand why the

1 elected officials in the San District have viewed this as  
2 a pragmatic alternative. But just like they did in Marin  
3 County when the TV story got told, I'll tell you if  
4 someone in L.A. decided to put this on the front page or  
5 make it the lead story on the evening news, "What's  
6 happening to all that green waste that you set aside,  
7 folks? It's going back in the landfill and they're  
8 calling it recycling," the lid would blow off of it. I'm  
9 sorry but that's a fact of life. And it's been a miracle  
10 it hasn't happened, to be honest with you. I'm not sure  
11 why it hasn't. Maybe people just got more important  
12 things to do news about in L.A. -- in southern California.

13           So I just -- I really think that -- and I'm not  
14 going to say this in any extreme way because I'm for  
15 phasing in, I'm for -- nothing's going to change without a  
16 lot of dialogue and agreement. So I don't think it can be  
17 one-sided, and that's been acknowledged by the composters  
18 and the environmental representatives here. It's not  
19 something that can be forced on the industry or the  
20 operators. But I think this Board needs to support moving  
21 towards phasing out ADC. Now, how long that takes and  
22 what the other criteria are in terms of developing  
23 alternative markets, that's all reasonable things to talk  
24 about. And, you know, even though I obviously feel  
25 strongly about it, I don't -- I'm a realist and pragmatist

1 about the fact that we have to have alternative solutions.  
2 And so I'm not naive about thinking you can just wave a  
3 magic wand and say, "Okay, it's out."

4 But I would like to see this Board take a  
5 position, which can be used as part of the discussion  
6 around legislation, that says that we feel that as part of  
7 getting green waste out of the landfill, that we think ADC  
8 ought to be phased out over some period of time. That's  
9 my opinion.

10 CHAIRPERSON BROWN: Rosalie.

11 COMMITTEE MEMBER MULÉ: Thank you, Madam Chair.

12 Just a few comments. I want to piggyback on a  
13 number of things that were said by our speakers today,  
14 because I think they helped me formulate my position here,  
15 which was already in my mind, but you articulated those  
16 points.

17 First and foremost, Chuck Helget had mentioned  
18 there is a role for ADC as a beneficial use in landfills.  
19 And I recall several years ago a previous Board member  
20 said, "If not ADC, then what?" And I thought you  
21 articulated that very well, Chuck, that if we're not going  
22 to use ADC for a beneficial use such as slope stability,  
23 we're going to have to bring in soil or something else.  
24 And we need to look at the economic and the environmental  
25 impacts of that.

1           The other point I want to make is, in speaking  
2 with a number of landfill operators, they don't  
3 necessarily want to use all of this ADC. It's because  
4 there is that policy out there that allows jurisdictions  
5 to get jurisdiction credit for it, which is really the  
6 dilemma here, is it's not so much using the ADC, it's the  
7 diversion credit that's the issue. And that's what we're  
8 all struggling with, is do we continue to allow or do we  
9 get the law changed -- Wes -- to not allow diversion  
10 credit for ADC anymore. I mean that's the real issue that  
11 we're facing here.

12           And so from that perspective, I personally don't  
13 have a problem -- we talked about economics -- with maybe  
14 imposing some kind of a fee on the use of ADC. A  
15 jurisdiction can still get diversion credit for it, but  
16 they would have to pay for that with some kind of a fee.

17           So I'm not totally opposed to it. But, again, in  
18 order to get the economics a little bit more balanced,  
19 that might be a way we need to go.

20           Now, speaking of markets, any solution that we  
21 come up with has to be market-based. We can't ban without  
22 having the markets developed. That goes without saying,  
23 at least in my world where I come from. And those  
24 markets, as we know, are local and regional for any type  
25 of organic material.



1           And so we really -- I like the idea of putting  
2 together the work group -- Matt, thank you for that  
3 suggestion -- to really come up with some solutions. I  
4 mean, you know, we could talk about this all day long.  
5 But let's come up with some solutions. That, along with  
6 the organics road map that our staff has developed, I  
7 think we can -- you know, we can really put together that  
8 plan that others of you had talked about and really get  
9 this whole thing moving.

10           Part of that plan though and part of the markets  
11 I think that's really, really important is for the  
12 jurisdictions to have some kind of a reuse program. I  
13 have been out there talking to local jurisdictions. And  
14 the way I explain it to them is that you can create your  
15 own 939 destiny by taking back the material that you  
16 generate in your communities and reusing it in your parks,  
17 reusing it on the sports fields, in the road medians and  
18 such. That's how we're going to create markets here. And  
19 that's what it's all about. If we get local  
20 jurisdictions, such as San Jose, to walk the walk rather  
21 than just talk the talk and reuse that material, we will  
22 have a very, very sustainable market at least for a good  
23 portion of the organic material.

24           So I strongly encourage that we work with the  
25 jurisdictions and we ask the jurisdictions to work with us

1 in developing this reuse or take-back program, however you  
2 want to call it. But I really think it's important that  
3 the jurisdiction create their own 939 destiny by reusing  
4 this organic material.

5           The other thing that I just think that is  
6 important in any plan that we come up with, I support  
7 George Eowan's recommendation, to requiring processing  
8 capacity. I find it amazing that we require landfill  
9 capacity but we don't require processing capacity. And  
10 yet we have a mandate -- a state mandate for 50 percent  
11 diversion. It just doesn't make sense to me.

12           So, again, I strongly encourage that -- however  
13 we need to do that, that we require processing capacity  
14 for jurisdictions; have the take-back program or reuse  
15 program for organics; and, again, any solution we come up  
16 with must be market-based.

17           Thank you, Madam Chair.

18           CHAIRPERSON BROWN: Okay. I apologize for  
19 talking during your thing, but we're making a plan. No  
20 ban without a plan. A plan to ban.

21           I have to thank staff very much for your  
22 presentation and the hard work that you put into that.  
23 Brian, thank you very much, Brenda, Howard.

24           PROGRAM DIRECTOR LEVENSON: Madam Chair?

25           CHAIRPERSON BROWN: I could let you talk, but I

1 think I already know the direction.

2 Okay. You can talk first. Go ahead.

3 Howard.

4 PROGRAM DIRECTOR LEVENSON: Thank you, Madam  
5 Chair, for indulging me.

6 I do want to, first of all, thank everyone for  
7 the discussion we've had today. This is what we were  
8 hoping to get.

9 I do want to point out -- the Board knows this  
10 full well, but to make sure that everyone in the audience  
11 knows full well -- on the market side, you know, we had an  
12 organics summit last year, we had a biofuel summit last  
13 year. All these kinds of things, with the exception of a  
14 couple things, got discussed and incorporated into the  
15 road map. And we have -- I want to remind folks that the  
16 Board spent millions of dollars in the nineties on ag  
17 demonstration projects, and we've revamped that effort  
18 with the road map and so on. We have Caltrans workshops.  
19 We have a compost BMP contract for water quality and  
20 erosion control. We have an ag specs contract with UC  
21 Riverside, our life cycle assessment, and so on. So we  
22 are doing a lot. And I don't want to lose sight of that.

23 COMMITTEE MEMBER MULÉ: And, Howard, that's a  
24 good point, and thank you for bringing all that up,  
25 because we are moving forward in our market development

1 efforts. And so I appreciate your articulating

2 the activities --

3 PROGRAM DIRECTOR LEVENSON: And that leads me to  
4 suggest that if we're going to form some sort of small  
5 working group, that we keep it fairly focused on the new  
6 ideas that we've heard, which to me the two that jumped  
7 out were the local take-back provision and then the siting  
8 capacity provision of some sort, that perhaps we start  
9 with that so we don't have the kind of wide open --

10 CHAIRPERSON BROWN: You're singing my tune.

11 PROGRAM DIRECTOR LEVENSON: Okay. Thank you,  
12 Madam Chair.

13 CHAIRPERSON BROWN: And what I first -- you know,  
14 in a variety of different ways I think each of the  
15 speakers spoke to almost the same thing. This is going to  
16 end up by being a collaborative effort. We need to have  
17 everybody in this room that needs to participate in the  
18 dialogue. Not everyone, as usual in our process, is going  
19 to love every part of it. But we hope that everybody will  
20 come to an agreement and then we will decide at the end.

21 But what I'd like to do is first thank all the  
22 speakers who did come up. And, you know, there's a lot of  
23 great ideas in there: Co-location, requiring take back,  
24 some of what San Jose is doing. Los Angeles is unique in  
25 their construct. And the population density issue down

1 there and the siting is unique to the southern California  
2 area.

3 But I think that the idea of having a working  
4 group is an excellent idea. We are a statewide board and  
5 we have to conduct policies and at least set parameters  
6 where jurisdictions have the opportunity to make that fit  
7 for their unique circumstances.

8 Given that all being said, I think the only way  
9 that it makes sense to form a work group is that they have  
10 a defined purpose and a defined timeline. You know, is  
11 it's not another tactic of interested parties that's going  
12 to go on for a couple of months -- I mean a couple of  
13 years. This is a very short concentrated effort of a  
14 small group of people with a specific purpose in mind.  
15 And we do have a piece of legislation before the  
16 Legislature and an opportunity that, you know, we should  
17 conduct some -- you know, we should come up with a plan or  
18 at least a proposal and a plan.

19 So my proposal to my fellow Board members is that  
20 over the next two, possibly two and a half months, there  
21 is a defined number of meetings, because we are in the  
22 legislative process, and if we do want that.

23 And this is my working group: The people who  
24 were here today who testified are the people that are  
25 going to be invited to participate in this work group,

1 along with our staff. I think there's a diversity of  
2 opinions; different parts of the state; there's  
3 stakeholders both from the operators, the industry, as  
4 well as local government represented in this group of  
5 seven people.

6           So I would like, with the -- if it suits the  
7 Board, that we'll come up with a proposal on some  
8 policies. Some of it though is statutory, and that's why  
9 I say if we don't do it in the next two to three months,  
10 we miss an opportunity to at least have a dialogue with  
11 possibly Assemblyman Huffman on his piece of legislation  
12 about where we've come. If he doesn't want -- I mean it's  
13 his bill. But, you know, there's an opportunity there for  
14 input.

15           COMMITTEE MEMBER CHESBRO: Madam Chair, I would  
16 like it to also be more specific though about what it is  
17 that we want them to do for us. And that would be that  
18 the Board is seeking to find the right timeframe and  
19 mechanism for reducing the use of green waste as ADC.  
20 Now, I'm going to try to leave it a little broader than I  
21 personally would make it, because there's some different  
22 opinions here about how we do that. And I certainly  
23 wouldn't want at this point to say what the timeframe of  
24 doing something should be. But I do think that should --  
25 that's what we're asking them, the how and the how

1 quickly, over what time period, that's what we're looking  
2 for feedback over, and I would ask that that be part of  
3 the motion.

4 CHAIRPERSON BROWN: Right. I appreciate that. I  
5 think you're right.

6 COMMITTEE MEMBER MULÉ: This is just a  
7 discussion --

8 CHAIRPERSON BROWN: Yeah, it's just a request for  
9 direction. So --

10 COMMITTEE MEMBER CHESBRO: It's on the direction.  
11 Excuse me.

12 CHAIRPERSON BROWN: But we'll make that very  
13 specific that that is the purpose, which is to find some  
14 recommendations for a timeframe and mechanism for phase  
15 out of green material as ADC.

16 And then, Howard, I'll give you all the names.  
17 And we'll contact you all and invite you to participate.  
18 And it's up to you. Certainly not going to make anybody  
19 in our collaborative effort and inclusion of our  
20 stakeholders.

21 Is that a good idea?

22 Okay, great.

23 Well, it's 12:15 almost. And as I mentioned at  
24 the beginning of this meeting, we are going to take a  
25 lunch break. We are going to reconvene here at 1:00. And

1 at that time we're taking up a discussion on the update of  
2 our Strategic Directive 9. So that will be a staff  
3 presentation.

4 And then we will go directly to consideration of  
5 the governance policies.

6 And those two items will take about 45 minutes to  
7 an hour. And then we'll take up the discussion of the  
8 Waste Tire Recycling Management Program report to the  
9 Legislature.

10 So I anticipate that we won't do the tire item  
11 until about 1:45 or possibly 2:00, for those of you that  
12 are here for that only. Okay?

13 Thank you.

14 (Thereupon a lunch recess was taken.)

15 CHAIRPERSON BROWN: Good afternoon, after a  
16 not-so-brief -- or a brief lunch or not brief enough -- or  
17 not long enough lunch. Definitely not long enough.

18 Kristen, can you call the roll?

19 EXECUTIVE ASSISTANT GARNER: Chesbro?

20 COMMITTEE MEMBER CHESBRO: Here.

21 EXECUTIVE ASSISTANT GARNER: Danzinger?

22 I mean Mulé?

23 COMMITTEE MEMBER MULÉ: Here.

24 EXECUTIVE ASSISTANT GARNER: Petersen?

25 COMMITTEE MEMBER PETERSEN: Here.



1 EXECUTIVE ASSISTANT GARNER: Brown?

2 CHAIRPERSON BROWN: Here.

3 Thank you.

4 Any members have any ex partes to report?

5 I think we're up to date.

6 Okay. We're going to first go to Board Agenda

7 Item 5, Committee Item -- I think it's C, B -- B.

8 Who's going to start?

9 Howard, Ted?

10 PROGRAM DIRECTOR LEVENSON: Well, you know, Madam

11 Chair, none of the staff are down here because they

12 thought this would be taken up later. But I can go ahead

13 and go through it very quickly and that would be fine.

14 And it'll just take a few minutes.

15 CHAIRPERSON BROWN: On the --

16 PROGRAM DIRECTOR LEVENSON: -- Strategic

17 Directive 9 update.

18 CHAIRPERSON BROWN: Yeah. Oh, I thought we were

19 going to start with that and then do F and G. We can do

20 it the other way around.

21 Let's do F and then G, and then let the staff

22 come down and do their report. I'm sorry.

23 PROGRAM DIRECTOR LEVENSON: Thank you.

24 Even though it's going to be me talking, I think

25 staff would like to just hear any discussion.

1 ASSISTANT DIRECTOR PACKARD: Thank you for my  
2 assistance.

3 CHAIRPERSON BROWN: F. Rubia.

4 ASSISTANT DIRECTOR PACKARD: Good afternoon,  
5 Board members. Rubia Packard with the Executive Office.  
6 And I am just going to go through Agenda Item 9, Committee  
7 Item F.

8 This item as a result of your conducting your  
9 review of Board staff linkage policies BL's 1 through 4  
10 and 11 in February. At that time you directed staff on  
11 certain revisions and requested that we bring the item  
12 back with the revisions for your consideration this month.  
13 This agenda item provides those revisions and for your  
14 approval.

15 Do you wish me to go through the individual  
16 revisions?

17 CHAIRPERSON BROWN: Unless any Board members need  
18 Rubia to. I think we did it sufficiently last month.

19 ASSISTANT DIRECTOR PACKARD: Okay, good.

20 Well, in that case, then staff recommends that  
21 you adopt Resolution 2008-48 and the proposed revisions to  
22 your Board staff linkage policies.

23 CHAIRPERSON BROWN: Thank you, Rubia.

24 Any questions or discussion?

25 COMMITTEE MEMBER MULÉ: Madam Chair, I'd like to

1 move Resolution 2008-48.

2 COMMITTEE MEMBER PETERSEN: I'll second that.

3 CHAIRPERSON BROWN: It's been moved by Member  
4 Mulé and seconded by Member Petersen.

5 Kristen, can you call the roll.

6 EXECUTIVE ASSISTANT GARNER: Chesbro?

7 COMMITTEE MEMBER CHESBRO: Aye.

8 EXECUTIVE ASSISTANT GARNER: Mulé?

9 BOARD MEMBER MULÉ: Aye.

10 EXECUTIVE ASSISTANT GARNER: Petersen?

11 BOARD MEMBER PETERSEN: Aye.

12 EXECUTIVE ASSISTANT GARNER: Brown?

13 CHAIRPERSON BROWN: Aye.

14 THANK you all.

15 Thank you, Rubia. Are you doing the next one  
16 too?

17 Oh, Eric.

18 I know Eric's here. I thought maybe we would  
19 introduce you.

20 Eric Douglas here on behalf of the Governance  
21 Structure Review.

22 MR. DOUGLAS: Thank you, Madam Chair. I feel  
23 honored to be here again and honored to once again assist  
24 you in the monitoring of your governance policies. And  
25 today we are monitoring BL 5 through 10. I hope that you

1 each have copies of the report I put together showing the  
2 results of the survey we conducted about these five  
3 policies -- these six policies.

4           So as you can see from the report, with regard to  
5 BL 5, BL 6, BL 7, and BL 8, all five of the Board members  
6 responding believe that the Board is in compliance. And  
7 there were no suggested changes. And so I would say that  
8 the monitoring of BL 5 through 8 was pretty clean and  
9 pretty easy.

10           Unless there needs to be any discussion, I'll  
11 move on to BL 9.

12           So BL 9, there was one -- first of all, all five  
13 of the Board members responding believe that the Board is  
14 in compliance with this policy. So compliance is not the  
15 question.

16           There was one Board member who suggested a change  
17 to the policy. And you can see in my notes the suggested  
18 changes. One would require the Board's approval of  
19 regional agency formation agreements and one would require  
20 the Board's approval for the biennial review findings of  
21 those jurisdictions that have a diversion rate over  
22 50 percent. And then with regard to that policy, there  
23 were no other comments.

24           So perhaps this would be the right time to talk  
25 about those, or do you want to keep moving through this?

1           CHAIRPERSON BROWN: No, I think we need to talk  
2 about the suggestions on BL 9 to require Board approval of  
3 regional agency formation agreements. It's been a  
4 delegation item for a while. But I think if there is a  
5 reason that we should consider it, maybe we should discuss  
6 it. And I don't know who wants to suggest it or if there  
7 is a reason.

8           COMMITTEE MEMBER MULÉ: I don't know that any of  
9 us here want to change it.

10          MR. DOUGLAS: This was Member Peace's suggestion.

11          COMMITTEE MEMBER MULÉ: Right.

12          CHAIRPERSON BROWN: Okay. Thank you.

13          COMMITTEE MEMBER MULÉ: Yeah, that's why --  
14 personally I see no reason to change the existing policy.  
15 So I would prefer that it stand as is, and not change it.

16          CHAIRPERSON BROWN: It still holds the regions --  
17 I mean the jurisdictions are still accountable for their  
18 mandates and programs, whether they're part of a regional  
19 agency or not. So I confer.

20          CHIEF DEPUTY DIRECTOR NAUMAN: Madam Chair, I  
21 think it's understood that -- in light of these  
22 delegations, that if any particular item is controversial  
23 or Mark feels that the Board needs to weigh in, that he'd  
24 certainly bring it forward to the Board for your review  
25 and consideration.

1 CHAIRPERSON BROWN: Okay. I agree.

2 Question.

3 COMMITTEE MEMBER CHESBRO: Is it my understanding  
4 that if some information around an individual item that  
5 was delegated came to a Board member and they wanted to  
6 elevate it to a Board discussion, that we'd have the  
7 ability to do that?

8 CHAIRPERSON BROWN: Always.

9 COMMITTEE MEMBER CHESBRO: Yeah. I'm not sure  
10 exactly -- I can't remember exactly what Board Member  
11 Peace was trying to get at, but I think there's a  
12 certain --

13 CHAIRPERSON BROWN: -- routineness?

14 COMMITTEE MEMBER CHESBRO: -- well, checks and  
15 balances involved in, you know, if -- I mean it's like  
16 consent. Consent is supposed to be if it's not  
17 controversial. If it becomes controversial, obviously  
18 it's not consent. So the same thing should be true of  
19 delegated. If there's an issue that becomes associated  
20 with it that elevates it to a Board member's concern, then  
21 they can take it up.

22 CHAIRPERSON BROWN: Right. I agree. And the  
23 same, I would assume, holds true for the biennial review  
24 process for jurisdictions over 50 percent. If there's a  
25 reason that we should be looking at that or if it comes to

1 a Board member's attention, we expect Mark and Julie to  
2 bring those to the Board member's attention and not let  
3 that go.

4 Okay. I think we should move to Item --

5 MR. DOUGLAS: So BL 10 then. With regard to BL  
6 10, again five of the five members say you are in  
7 compliance and there were no suggested changes. So this  
8 part of the actual monitoring process was very  
9 straightforward at this time.

10 There were, as you can see under Section 3, a  
11 number of executive staff comments with regard to these  
12 six policies and some specific suggested wording that  
13 executive staff presented. I'm assuming that you each  
14 have copies of that suggested wording.

15 CHAIRPERSON BROWN: Yes.

16 MR. DOUGLAS: And so I would ask Julie to talk to  
17 the points if there are questions that Board members have  
18 about the suggested changes. I tried to summarize them in  
19 my report. But you can see in the specific language where  
20 the strike-out is and where the underlying new wording is.

21 So should we just start at the beginning and look  
22 at BL 5 changes and talk about what executive staff is  
23 recommending there?

24 CHAIRPERSON BROWN: Yeah.

25 MR. DOUGLAS: The only change there I think is in

1 E where it's really clarifying that some delegations that  
2 derive from the statute will be noted with an S in  
3 parentheses and that they would require statutory  
4 revisions to be altered.

5 CHIEF DEPUTY DIRECTOR NAUMAN: I know that sounds  
6 a little confusing.

7 CHAIRPERSON BROWN: I'm not following what that  
8 means and what you're asking for. I mean if you're asking  
9 for a little S, that's not a big deal. But that's not  
10 what it sounds like.

11 CHIEF DEPUTY DIRECTOR NAUMAN: No. If you note  
12 in the delegations right now where a delegation is really  
13 driven by a regulation that the Board has adopted, there's  
14 a small R in parentheses after that delegation.

15 For instance, if you look at 6.1(a), the new  
16 language which makes reference -- pardon me?

17 CHAIRPERSON BROWN: We don't have all of them.  
18 We only have what we're reviewing.

19 STAFF COUNSEL BLOCK: There were copies in the  
20 back. Let me go get you some.

21 CHIEF DEPUTY DIRECTOR NAUMAN: Yeah, you should  
22 have -- right after Eric's --

23 CHAIRPERSON BROWN: Yeah, I have it.

24 CHIEF DEPUTY DIRECTOR NAUMAN: BL 6.

25 CHAIRPERSON BROWN: Never mind, Elliot. I have



1 it.

2 CHIEF DEPUTY DIRECTOR NAUMAN: Okay. BL 6, 6.1  
3 after the strike-out language, you'll see there's a  
4 reference to a regulation code and there's a small R in  
5 parentheses behind it. So that's kind of the scheme we're  
6 using here. If it's derived from regulation, it has an R.

7 What we're also then suggesting is that when  
8 something has been delegated by virtue of statute, we will  
9 note that with an S in parentheses. And let me draw your  
10 attention to the one place in the delegations where that  
11 occurs. And it's in BL 10, 10.3, statutory lien hearing,  
12 where pursuant to Public Resources Code 48023.5 the  
13 Executive Director may delegate -- excuse me -- conduct  
14 statutory lien hearings. And that's the S in parentheses  
15 reference. Again, there's only one of those, but we  
16 wanted to capture that part of the scheme here by making  
17 that reference to the S in parentheses, if you will,  
18 specifically in BL 5(e). So it's really kind of a  
19 formatting issue. It's not delegating anything that isn't  
20 already delegated.

21 CHAIRPERSON BROWN: I understand. What does the  
22 phrase "would require statutory revisions to be altered"  
23 mean though? I understand what you're asking for and what  
24 the notation is. But I don't --

25 CHIEF DEPUTY DIRECTOR NAUMAN: If you were to

1 seek to, in essence, revoke that delegation, that's --

2 CHAIRPERSON BROWN: But it's in statute that  
3 we're required to do that, not that we delegate it, right?

4 STAFF COUNSEL BLOCK: No. The statute  
5 requires -- the statute specifies in that particular  
6 instance that the Executive Director holds the hearing.

7 CHAIRPERSON BROWN: So then that's not a  
8 delegation. If it's in statute directed that he do it,  
9 it's not a delegation of the Board. The only things that  
10 we would delegate are things that are statutorily required  
11 of the Board. So it shouldn't even be on there as a  
12 delegation then.

13 CHIEF DEPUTY DIRECTOR NAUMAN: Well, I'll defer  
14 to legal counsel on this since that's where it came from.

15 STAFF COUNSEL BLOCK: And if it --

16 CHIEF DEPUTY DIRECTOR NAUMAN: Maybe if this was  
17 an abundance of being sure that everything that is  
18 delegated vis-a-vis regulation or is statute is captured.  
19 But you make a good point.

20 CHAIRPERSON BROWN: But a delegation in and of  
21 its definition is authority that is vested in the Board  
22 that we deem as delegated for Mark to act on our behalf.  
23 So this is in statute as a requirement of the Executive  
24 Director. It should not be a delegation.

25 CHIEF DEPUTY DIRECTOR NAUMAN: Might make the

1 same argument for the regulation in that the Board has  
2 already spoken?

3 CHAIRPERSON BROWN: No, because regulations  
4 follow statute.

5 STAFF COUNSEL BLOCK: The distinction that the  
6 Chair is making is that the Board could revise the  
7 regulation, whereas the Board wouldn't have the ability to  
8 revise the statute. That would come from the Legislature.

9 But certainly this wouldn't -- we're putting it  
10 out there. It makes the list complete, if you will, since  
11 it relates to that particular statutorily and it has to do  
12 with the Board's cleanup program and a contested lien  
13 after a cleanup. But certainly we could leave it off the  
14 list.

15 CHAIRPERSON BROWN: But these are Board linkage  
16 policies, they're not program description. So it doesn't  
17 have to comprise the entire program.

18 STAFF COUNSEL BLOCK: It absolutely does not.  
19 You are correct.

20 CHAIRPERSON BROWN: Am I getting too technical in  
21 here?

22 MR. DOUGLAS: No, I think, Madam Chair, you raise  
23 an outstandingly prescient point. And the thing I would  
24 say is that under BL 1, where you're clarifying the role  
25 of the Executive Director, given your point, if you wanted

1 to capture in language this particular issue, it would  
2 belong in BL 1 probably more than here where you're  
3 describing the delegations.

4 CHAIRPERSON BROWN: Yes. I agree. Because there  
5 are responsibilities vested in the Executive Director by  
6 statute obviously.

7 MR. DOUGLAS: BL 1 already says in G that the  
8 Executive Director directs the implementation of all  
9 federal and state statutes. So you have an encompassing  
10 statement there that catches everything that is in statute  
11 that he or she owns the responsibility for discharging.

12 CHAIRPERSON BROWN: Okay. So then do we take out  
13 that reference to the statute in --

14 CHIEF DEPUTY DIRECTOR NAUMAN: We would delete  
15 the proposed change in E.

16 STAFF COUNSEL BLOCK: Right. This is just a  
17 discussion item today. So we just won't bring that  
18 forward --

19 CHAIRPERSON BROWN: Okay. But I'm wondering  
20 whether we take that off the list of delegation  
21 altogether.

22 STAFF COUNSEL BLOCK: I think both in BL 5, where  
23 there's a reference to statute, and in BL 10, the  
24 potential additional one that Julie mentioned, we'll take  
25 both of those off.

1 CHAIRPERSON BROWN: Okay.

2 MR. DOUGLAS: So let's move on to BL 6, where  
3 there are more changes that executive staff is  
4 recommending.

5 CHIEF DEPUTY DIRECTOR NAUMAN: You'll see those  
6 in BL 6.1 and 6.3 where we're making reference to changes  
7 that have occurred as a result of new regulations.

8 COMMITTEE MEMBER MULÉ: That makes sense.

9 CHAIRPERSON BROWN: Uh-huh.

10 CHIEF DEPUTY DIRECTOR NAUMAN: Moving on then to  
11 number 3 is BL 8. And let me preface the rest of my  
12 comments by saying what exec staff is proposing to bring  
13 forward to you are kind of those items that really don't  
14 occur that regularly. And when they do occur, there's, I  
15 guess I would characterize it as, limited discretion on  
16 the part of the Board. And this is one example of those.  
17 BL 8 seeks delegation to approve an award and execute the  
18 student and the court reporting services contract. These  
19 are fairly routine.

20 CHAIRPERSON BROWN: Well, I don't know. We might  
21 want to approve this contract here or have a say. Just  
22 kidding.

23 CHIEF DEPUTY DIRECTOR NAUMAN: She can keep up  
24 with some of the stakeholders this morning. And I think  
25 she's earning her money and then some.

1           Okay. So that's BL 8. And you'll see that  
2 language in your handout.

3           Also in BL 8 an item that we had not terribly  
4 long ago but occurs again early infrequently is the  
5 approval of Loan Committee members. And I do recall that  
6 there were a couple of process questions that you asked  
7 about that last time. But, again, it occurs very rarely.  
8 I cannot remember any instance where the Board has not  
9 accepted the volunteer labors of people who are willing to  
10 sit on this important Committee. And so we're suggesting  
11 that that approval of those membership designations be  
12 delegated.

13           BL 9 is -- and item both 5 and 6 relate to  
14 approving planning elements, those documents that  
15 jurisdictions are required to maintain or adopt if there  
16 they're a newly incorporated city. Item 5 really is  
17 reflective of an item we had a few months ago where  
18 Alameda County came forward to make some fairly conforming  
19 changes to their siting element and wanted to come to the  
20 Board and, you know, show the good work that they're  
21 doing. But, again, generating additional staff work,  
22 agenda items, time consuming item that really limited  
23 discretion on the Board's part.

24           Similarly with approving planning elements of  
25 newly incorporated cities. We again don't see that very

1 often. Never has been any opposition. Fairly routine.

2 MR. DOUGLAS: Let's just take a pause and see if  
3 everybody is okay with the changes up till now.

4 COMMITTEE MEMBER MULÉ: I fully support that.  
5 Because, again, as Julie's saying, it just takes up a lot  
6 of our time. And, you know, time is precious to all of  
7 us.

8 We were actually questioning Alameda as to why  
9 they were in front of us. But, you know, they just wanted  
10 to share with us the good work they were doing.

11 MR. DOUGLAS: So then assuming that everything is  
12 fine up until now.

13 CHIEF DEPUTY DIRECTOR NAUMAN: And let's hope it  
14 stays that way.

15 And, finally, No. 8 is an action in BL 10. We're  
16 suggesting a delegation for actions necessary to respond  
17 to a declared state of emergency, including executing  
18 contracts and approving use of Board funds. Certainly the  
19 Board would be in discussion with the Executive Office  
20 about these situations. But there are times as we had in  
21 Angora where time is critical and we need to move forward.  
22 And the Board's meeting agenda regular schedule doesn't  
23 always provide the opportunities we need for that.

24 COMMITTEE MEMBER MULÉ: I guess I don't have a  
25 problem with it. However, I think that the Board members

1 should be immediately informed of the situation --

2 CHIEF DEPUTY DIRECTOR NAUMAN: Absolutely.

3 COMMITTEE MEMBER MULÉ: -- prior to the Executive  
4 Director executing that authority.

5 CHAIRPERSON BROWN: My question to you, Julie,  
6 that just came to mind, in the incident -- in the case of  
7 Angora there was a declared emergency where our funds were  
8 used for a purpose that's not explicitly defined by our  
9 statute. So the Board had to approve that. You're asking  
10 us to delegate the approval of funds that are not  
11 expressly utilized for our statutory authority. I mean  
12 we, in essence, cleaned up and loaned the money but were  
13 paid back.

14 I don't have a problem with Mark executing a  
15 contract and acting on behalf of the Board in a timely  
16 fashion and all of that. But I think when there's  
17 instances where the Board funds need to be approved by the  
18 Board for a temporary use that's beyond the scope of our  
19 statutory authority, it needs to come to the Board. And I  
20 don't know how we differentiate that.

21 COMMITTEE MEMBER MULÉ: Yeah, I do agree with  
22 Chair Brown. Because, again, we approved what, over \$5  
23 million and we were fortunate that the timing was such  
24 that we were able to do that almost immediately. So I  
25 don't know if we can do that by calling a special meeting



1 or something.

2           STAFF COUNSEL BLOCK: Well, if I may. In fact,  
3 what we ended up doing with Angora was having to call a  
4 special -- we did a special noticing to get it on a  
5 meeting. Fortunately we had a Board meeting that was  
6 going on and we got it on to the agenda through some of  
7 the emergency processes. You were all here. That worked  
8 out well. If it was a different week and we had some  
9 scheduling issues, it would have been a little bit more  
10 complicated.

11           Maybe the way to deal with the issue that you've  
12 raised -- because not every emergency activity is going to  
13 have that additional aspect. So maybe -- I mean we can  
14 work on whether we want to add wording to this or not or  
15 maybe just be clear on what the intent was. A situation  
16 like that would be considered a little bit more  
17 controversial, so Mark wouldn't utilize the delegation in  
18 that type of a circumstance. But a more typical we need  
19 to just sign a contract and do some emergency activity  
20 quickly would be okay under that.

21           CHAIRPERSON BROWN: I think so. You know, I mean  
22 I'm thinking declared emergencies are fires, floods, and  
23 earthquakes in California. So, you know, in the event of  
24 an earthquake, it's not anticipated, we don't know, or any  
25 declared emergency normally would, and there would be

1 activities that would be required of us probably in the  
2 near term. This was a longer term process, but we needed  
3 to act quickly up in Angora. But I think that we need to  
4 define sort of a little bit of parameters whereby his  
5 delegation authority would then fall back to the Board.

6 MR. DOUGLAS: Well, and if I can, the limit I'm  
7 hearing the Chair suggest is a limit around the use of  
8 funds where the original purpose for those funds is  
9 different from the purpose for which they're now going to  
10 be reallocated. So the language might be, "except where  
11 Board funds are used for purposes for which they were not  
12 originally intended," or something like that.

13 STAFF COUNSEL BLOCK: And with the Board's  
14 indulgence, I'd like to take a stab at playing with some  
15 language, because I will just tell you I'm a little bit  
16 uncomfortable putting that kind of language explicitly in  
17 a delegation document for other reasons. But I can dance  
18 around that a little bit.

19 CHAIRPERSON BROWN: Well, we've got about a  
20 month.

21 STAFF COUNSEL BLOCK: And we'll be coming back  
22 next month with an item to adopt these. So I'll draft  
23 something in between.

24 CHAIRPERSON BROWN: That's good.

25 STAFF COUNSEL BLOCK: And you want me to include

1 some language about reporting to the Board prior to  
2 executing them?

3 CHAIRPERSON BROWN: Well, and there is a regular  
4 reporting structure for contracts that the Executive  
5 Director makes on the execution of contracts. So, you  
6 know, maybe there's a special report or notification to  
7 the Board that's just, you know, one-page memo  
8 notification or something.

9 MR. DOUGLAS: So with that, I think my report is  
10 done.

11 CHAIRPERSON BROWN: Wow. Thank you.

12 MR. DOUGLAS: Thank you.

13 CHAIRPERSON BROWN: It's getting easier, isn't  
14 it.

15 MR. DOUGLAS. Well, we'll try to make it tougher  
16 next time.

17 CHAIRPERSON BROWN: Okay. Now we're going to go  
18 back to policy monitoring for Strategic Directive 9.

19 And, Howard, you are up. That's Item 5.

20 PROGRAM DIRECTOR LEVENSON: Thank you, Madam  
21 Chair. And I'd like to just give you a very brief update  
22 on Strategic Directive 9.

23 As you know, this is sort of our forward-looking  
24 strategic directive in terms of technology and research at  
25 the Board. And of course this morning we heard an item on

1 the research model, so I don't think I need to give you  
2 any update on Strategic Directive 9.1.

3 Strategic Directive 9.2 is to encourage the  
4 development of alternative energy and biofuels. And  
5 there's quite a bit of information in the agenda item.  
6 But just a couple things I want to highlight is that two  
7 months ago you approved the Scope of Work for a  
8 demonstration biofuels/bioenergy project. Just yesterday  
9 I believe the Executive Director distributed a memo to you  
10 describing the outcome of our survey and what we found in  
11 terms of projects that are being contemplated by state  
12 entities. And we anticipate bringing an award of that  
13 project back to you for consideration in -- I believe it's  
14 in May.

15 Subdirective 9.3 is very related to 9.2. It  
16 relates to our involvement in the bioenergy working group,  
17 which the Chair is involved in and supported by a number  
18 of different staff. And we have a -- I believe there's a  
19 conference call for the working group coming up on April  
20 1st. We certainly are engaged in discussions -- ongoing  
21 discussions with the Energy Commission, the Public  
22 Utilities Commission, and so on regarding renewable  
23 portfolio standard and possibilities for grant funding and  
24 reviewing and assisting those entities. So that continues  
25 to go on.

1           And then of course 9.4 is really our just  
2 overarching subdirective that encompasses  
3 climate-change-related activities. And there's a lot  
4 going on at the Board on that. And I think we need to be  
5 able to provide you with more frequent updates on that  
6 information, either via memo or some of the director's  
7 reports.

8           But of course one of the most active areas is the  
9 second strategy under the Climate Action Team, which is  
10 the landfill methane capture. And Scott Walker and  
11 Stephanie Young and Ted's shop are doing a great job of  
12 working with the Air Board, coordinating a variety of  
13 contracts including the Bogner study with the Energy  
14 Commission to get better information on that, and then  
15 moving towards a more final implementation of some of the  
16 Air BOARD decisions. And that will -- when it's completed  
17 certainly will fulfill one of the obligations that the  
18 Waste Board has under Climate Action Team.

19           The third strategy is to increase diversion  
20 beyond 50 percent. Of course this is subject of a lot of  
21 work right now and particularly this week. We have draft  
22 documents that are due to the Air Board on Friday, which  
23 will be incorporated into the scoping plan. By January,  
24 the Air Board -- January '09 the Air Board has to adopt a  
25 number of measures as part of its scoping plan, which it

1 will then continue to work on in terms of implementation.  
2 But we have a variety of measures that are being drafted  
3 as part of that consideration, including measures on  
4 organics, commercial recycling, producer responsibility,  
5 landscaping. And probably one is escaping me. These are  
6 the lengthy templates that have a lot of detail in them in  
7 terms of greenhouse gas emissions, economic analyses.  
8 They won't be complete by Friday, but we're way ahead of  
9 the game in terms of what most of the boards and  
10 departments are submitting.

11           And I think there's -- I want to acknowledge in  
12 particular Clark Williams. I don't know if he's got down  
13 here. But Clark has been -- there you are -- Clark has  
14 been doing probably triple time work because we have staff  
15 vacancies. And Clark has been honchoing with a number of  
16 other people, Kaoru Cruz and Cara and, you know, with  
17 Scott and Stephanie. They've all been working together to  
18 run the Recycling Waste Management Subcommittee under  
19 Stephanie's coordination, get these templates done, and  
20 then there's going to be more iterations of that. So  
21 there's a tremendous amount of work being done.

22           COMMITTEE MEMBER CHESBRO: Are those going to be  
23 circulated for us to look at?

24           PROGRAM DIRECTOR LEVENSON: We certainly can  
25 provide those to you when we submit them.

1 CHAIRPERSON BROWN: Yeah, what is the ARB process  
2 as far as once those are submitted from us and all of the  
3 others? Do those immediately become open, Clark? I mean  
4 I assume once their even boards and commissions that  
5 submit them, they're public records that --

6 COMMITTEE MEMBER CHESBRO: Well, I'd just like to  
7 know what we're submitting. I'd like to see --

8 PROGRAM DIRECTOR LEVENSON: We certainly can get  
9 that to you. But I think it we would be instructive to  
10 get a sense of the timeline for them considering that.

11 MR. CLARK: Once we submit them, ARB will begin  
12 considering them in their scoping plan development  
13 process. I don't see any problem with releasing to our  
14 internal, you know, Board members the templates. We have  
15 received some direction from Agency and Air Board asking  
16 us not to release the templates we submit verbatim. But  
17 we can and are working towards eventually posting up on  
18 our website and releasing general descriptions of the  
19 measures we put forward in as much information as  
20 possible. And we're kind of awaiting some more clarity on  
21 where the concerns are and what can and can't be released.

22 CHAIRPERSON BROWN: And I think that's what  
23 Member Chesbro's asking for, is maybe just the short  
24 description of what the -- what did you say, there's nine?  
25 How many are we submitting? Seven?

1 COMMITTEE MEMBER PETERSEN: I for one second what  
2 Wes said. We need to know at least in concept what's  
3 going on, for sure.

4 COMMITTEE MEMBER CHESBRO: Yeah, I think the --  
5 it's perfectly reasonable that if they're being prepared  
6 for the Air Board, for the Air Board to say this is not  
7 for public circulation. But I think that since it's  
8 support work being done by our Board for their effort,  
9 that we as Board members need to know what it is that  
10 we're submitting.

11 CHAIRPERSON BROWN: Well, we can list and we can  
12 give Board members the description what it is without  
13 circulating the template. It's work product of ARB in  
14 support of the Administration's implementation of AB 32.  
15 So I think that we have to abide in some small measure  
16 to -- but I don't have a problem with -- I mean I think we  
17 can submit what we support, what we're sending, and a  
18 description of what it is without the entire template,  
19 which is what you're asking for.

20 COMMITTEE MEMBER CHESBRO: Well, I think if it's  
21 internal and that's sort of the agreed-to terms, then it  
22 shouldn't really matter if it's more than just the brief  
23 description, as long as that's the understanding, that  
24 it's for internal circulation and review and discussion  
25 only. I mean I think that covers the relationship with



1 the Air Board sufficiently, I hope.

2 PROGRAM DIRECTOR LEVENSON: As long as it doesn't  
3 go external to the Board, I think we're fine. It's draft  
4 materials. Certainly it's going to be a lot of back and  
5 forth with the Air Board staff over the next few months in  
6 fine-tuning them. In fact, some of the economic analysis,  
7 because we don't have enough staff, we're relying on the  
8 Air Board Economic Unit to do some of those --

9 COMMITTEE MEMBER CHESBRO: And I understand that,  
10 and I think we all would, that the public process is the  
11 Air Board's public process. So our person looking at it  
12 is not to take it and then go out and share it with, you  
13 know, all the interested parties, because it will be  
14 shared at the appropriate -- yeah, at that time.

15 PROGRAM DIRECTOR LEVENSON: Besides that, I'll  
16 just wrap this item up by noting that last month we  
17 discussed a potential Scope of Work for waste  
18 characterization study related to commercial recycling.  
19 After a lot of discussion, you know, we're fine-tuning  
20 that to make it more focused on economic aspects of  
21 commercial recycling. And then we'll be back with an  
22 agenda item probably in May or June. We've got to  
23 encumber those funds.

24 We are getting the contract with Institute for  
25 Local Government in place so that we can work with them on

1 the Commercial Recycling and Jurisdictions Project.

2 And we also have our I guess embryonic work with  
3 the with the California Climate Exchange -- Climate Action  
4 Registry on their protocol on anaerobic digestion in food  
5 waste.

6 And then we also have been invited to participate  
7 on the Chicago Climate Exchange for their broader work on  
8 national protocols.

9 So there's a lot going on. I think it's safe to  
10 say that we are scrambling with the staff that we have to  
11 fulfill all of these mandates. And some of the same staff  
12 are involved in the organics side of things. So we're  
13 going to do what we can. And there's a lot going on, but  
14 it's important work.

15 If you have any questions, we'll be happy to  
16 answer, you know, anything we can.

17 COMMITTEE MEMBER MULÉ: Thank you, Howard. You  
18 and your staff are doing great work. So thank you for all  
19 of it.

20 PROGRAM DIRECTOR LEVENSON: Thank you.

21 COMMITTEE MEMBER CHESBRO: Did we approve the  
22 Scope of Work for the waste characterization?

23 PROGRAM DIRECTOR LEVENSON: That actually is  
24 miswritten in the item. It does state that you approved  
25 it. But instead you directed us to revise that, focus

1 more on the economic aspects. And we'll return to you  
2 with that item. This was written before the February  
3 item.

4 COMMITTEE MEMBER CHESBRO: Oh, okay.

5 PROGRAM DIRECTOR LEVENSON: And I forgot to go  
6 back and change that.

7 COMMITTEE MEMBER CHESBRO: Okay. So what  
8 precisely is its status in terms of how it's going to move  
9 forward?

10 CHAIRPERSON BROWN: It's coming back in April or  
11 May.

12 PROGRAM DIRECTOR LEVENSON: Yeah, I think in May  
13 we'll have to come back with the Scope of Work for  
14 approval and then we would go out for an RFP.

15 CHAIRPERSON BROWN: -- RFP, with a different  
16 Scope of Work. But the timeline of next month's agenda  
17 items are already being written now, and they need to be  
18 submitted by next Wednesday.

19 Okay. Any questions on review of SD 9?

20 Great job. Thank you very much.

21 Okay, Howard. You're up again.

22 We are right on schedule, 1:45. We're going to  
23 move now to Agenda Item 9 -- no -- 8.

24 PROGRAM DIRECTOR LEVENSON: While we're getting  
25 the PowerPoint up -- Item 8, which is discussion of the

1 draft report to the Legislature regarding the Waste Tire  
2 Recycling Management Program.

3           And I want to emphasize that this is a draft  
4 report. It has an emphasis on the Tire Fund status and  
5 reserve and on potential options for increasing the  
6 diversion of waste from disposal in the landfill. And  
7 that's directly in response to the charge in the Budget  
8 Act from the Legislature.

9           You know, the Board has an outstanding tire  
10 program focused, among other things, on market development  
11 and also on enforcement and cleanup. And those are things  
12 that the Board's worked vigorously on over the years.  
13 We've cleaned up, you know, major legacy piles around the  
14 state and we've got a vigorous inspection and enforcement  
15 program in place.

16           And on the market side we've seen a threefold  
17 increase in diversion over the last 15 or so years to, you  
18 know, a value of over 75 percent. And it's possible with  
19 the trends that we're seeing that could rise to 85 percent  
20 by the year 2010. But despite this, there's still roughly  
21 ten million tires a year that are being landfilled in  
22 California. And while we annually expend over \$30 million  
23 a year on a suite of enforcement and market development  
24 programs, the Tire Recycling Management Fund currently has  
25 a reserve balance of 42 million. And in the Governor's

1 budget, this reserve is projected to increase to  
2 approximately 58 million by the year 2009-2010.

3           So it's not surprising that this has generated a  
4 little bit of interest at the Legislative Analyst's Office  
5 and the Legislature. And in the Budget Act of '07-'08 the  
6 Legislature required us to submit a report by July 10th of  
7 this year that discusses the funds and identifies  
8 additional options for diverting waste tires from  
9 landfills.

10           So given the complexity of tire issues and the  
11 many, many different possibilities for dealing with waste  
12 tires, we're bringing you today a draft of the report as a  
13 discussion item only. We're not seeking your adoption  
14 today. We're suggesting eight options and we're  
15 specifically seeking your direction or feedback on whether  
16 to include all of those or some of them, whether to  
17 include any other options that have been suggested by  
18 stakeholders. And also we're seeking your direction on  
19 what level of additional funding to recommend for those  
20 options that require funding expenditures.

21           And the table in the item represents our first  
22 attempt at suggesting a potential allocation of funds. We  
23 clearly can shift those funds around in many, many  
24 different ways.

25           So based on your direction, we'll revise the

1 report, we'll work with the Office of Public Affairs to  
2 get it properly formatted and edited, and we'll return to  
3 the Board in May for consideration of the final report.

4 So I'm going to turn this over to Sally. She's  
5 going to discuss a lot of these issues in more detail.  
6 And we have staff available from multiple programs and  
7 offices, both Sustainability and Waste Compliance and  
8 Mitigation, to answer any of the questions that you or  
9 stakeholders might pose.

10 With that, let me turn to Sally.

11 MS. FRENCH: Good morning, Committee Chair and  
12 Board members. I'm Sally French from the Statewide  
13 Technical and Analytical Resources Division. And I'm here  
14 to present Board Item 8, Committee Item E.

15 So let's get started.

16 --o0o--

17 MS. FRENCH: Background. Currently 25 percent,  
18 or 10.6 million with our 2006 data, of the waste tires  
19 generated annually are not diverted into productive end  
20 uses. As we know, the Tire Fund has a large reserve. So  
21 what programs can the CIWMB implement to increase the  
22 number of waste tires diverted from the landfill?

23 --o0o--

24 MS. FRENCH: The Board shall submit a report to  
25 the Legislature by July 10th, 2008. This report will

1 include our revenues, expenditures, and balance of the  
2 Tire Fund since inception, and projections for the  
3 2008-2009 and subsequent two fiscal years; diversion rates  
4 and end uses and projections for 2007 and three years out;  
5 identification and assessment of costs and effectiveness  
6 of options to increase the diversion of waste tires from  
7 disposal in landfills; and, last, any statutory changes  
8 that would assist efforts to increase the diversion rate.

9 --o0o--

10 MS. FRENCH: Our current diversion rate with our  
11 2006 data is 76 percent. We project that that diversion  
12 rate by 2010 will be 85 percent.

13 --o0o--

14 MS. FRENCH: Our current fund balance is \$42  
15 million. And we project that the fund balance will rise  
16 to 58 million by fiscal year 2009-2010.

17 COMMITTEE MEMBER MULÉ: Excuse me. Is that  
18 because the repayment of the loan jumped?

19 MS. FRENCH: That's correct. Next year 17  
20 million is supposed to be repaid to the Tire Fund.

21 COMMITTEE MEMBER MULÉ: From --

22 MS. FRENCH: -- the General Fund.

23 COMMITTEE MEMBER MULÉ: It was borrowed when, do  
24 you --

25 MS. FRENCH: I think it was fiscal year 2003.

1 COMMITTEE MEMBER MULÉ: Okay. Thank you.

2 PROGRAM DIRECTOR LEVENSON: And just before Sally  
3 goes on, just want to point out that the agenda item  
4 itself has the core options and a very brief summary of  
5 some of this information. That same core options are  
6 repeated in the report, but the report also has a more  
7 detailed table on the fund status and the diversion  
8 projections.

9 COMMITTEE MEMBER MULÉ: I know that. But I just  
10 asked the question because I thought it would be good to  
11 have it on the record as part of our presentation.

12 PROGRAM DIRECTOR LEVENSON: Absolutely. Just  
13 wanted everybody to know -- to make sure they were aware  
14 of that.

15 MS. FRENCH: Okay. Our process for soliciting  
16 input. We currently have a tire working group at the  
17 Board. It meets every other week to discuss tire issues.  
18 It's comprised of 27 staff from across the Board. The  
19 last three months we've been just working on the LAO  
20 report.

21 We also held an interested parties meeting on  
22 January 24th, 2008, and we've also received written input  
23 from our stakeholders.

24 --o0o--

25 MS. FRENCH: We've come up with a criteria as a



1 framework for the options that are in the report. The  
2 first one is ability to deal with significant number of  
3 tires. Second, the ability to affect greenhouse gas  
4 emissions. Third, ability to affect underlying market  
5 economics. Fourth, ability to foster source reduction  
6 efforts. Fifth, ability to overcome market obstacles  
7 and/or jump-start the market segment. Six, cost  
8 effectiveness. And, last, statewide accessibility.

9 --o0o--

10 MS. FRENCH: And we've come up with eight  
11 options.

12 The first one is to reduce the tire size,  
13 increase tipping fees or phase out or eliminate disposal  
14 of tires at landfills and monofills.

15 Second, to expand education and outreach on the  
16 tire sustainability inflation.

17 Third, evaluate modifications to the tire storage  
18 requirements.

19 Fourth, establish new equipment loan program.

20 Fifth, increase TDA civil engineering efforts.

21 Six, refocus and expand the RAC Grant Programs.

22 Seventh, expand the TDP Grant Program; and

23 Eighth, reevaluate the TDF prohibition and  
24 conduct a life cycle analysis.

25 As you could see, there are a few that would

1 require statutory or regulatory changes.

2 --o0o--

3 MS. FRENCH: So our first option is to reduce the  
4 tire size, increasing the tipping fees, and phasing out or  
5 eliminating disposal of tires at landfills and monofills.  
6 Right now the cheapest disposal available for  
7 marketability for the materials is for landfilling.

8 Options to address this include: Require the  
9 smaller size of shreds prior to disposal, increase tipping  
10 fees at disposal facilities, and phase out or eliminate  
11 disposal of tires at landfill or monofills. Most of these  
12 would require a statutory or regulatory change.

13 --o0o--

14 MS. FRENCH: Second, expand public education and  
15 outreach on tire sustainability inflation. This would  
16 reduce the amount of tires generated annually. And staff  
17 has three suggestions: To expand the current community  
18 education campaign; partner with the Air Resources Board  
19 on outreach programs; and, third, expand outreach to  
20 California-based trucking firms regarding retreading.  
21 Staff suggests \$5 million for two years.

22 --o0o--

23 MS. FRENCH: Option three, evaluate the  
24 modifications to tire storage requirements. This would  
25 give the flexibility of tire storage requirements so the

1 facilities can store sufficient amounts of altered tires  
2 that are needed for large TDA product orders.

3 CHAIRPERSON BROWN: Is that an issue now, just  
4 getting the material for the amount of -- for larger  
5 projects? Is that hindering the use of TDA for large  
6 projects?

7 MS. FRENCH: Yes.

8 PROGRAM DIRECTOR LEVENSON: Yeah. So we could  
9 have Stacy or Bob come up and describe that in more detail  
10 later.

11 CHAIRPERSON BROWN: That's why I was kind of  
12 looking at Stacy.

13 PROGRAM DIRECTOR LEVENSON: But that's one of the  
14 issues that's come up quite a bit in some of the  
15 stakeholder workshops and our work.

16 I do want to acknowledge that that particular  
17 option, as you'll see in the write-up, has a lot of pros  
18 and cons to it. And there's certainly not a consensus  
19 that there's an easy way to modify those storage  
20 requirements and still take into account all the fire and  
21 health and safety issues.

22 CHAIRPERSON BROWN: Exactly.

23 Okay. I'll hold my question for Stacy.

24 COMMITTEE MEMBER PETERSEN: Madam Chair, I have a  
25 question.

1           On the five million we're allocating for public  
2 education, is that in addition to the monies that's in our  
3 five-year plan?

4           MS. FRENCH: That's correct.

5           PROGRAM DIRECTOR LEVENSON: In fact, that's true  
6 for all the amounts on that table. Those would be using  
7 the monies in the reserve above and beyond anything that's  
8 already allocated in the five-year tire plan.

9                               --o0o--

10          MS. FRENCH: Option four, establish new equipment  
11 loan program. This new equipment loan program would  
12 provide appropriate low interest loans consistent with  
13 existing RMDZ loan program. The loans would be to  
14 businesses for new equipment with preference for  
15 TDA-related equipment. The loans would be available  
16 anywhere in the state. And staff suggests \$4 million per  
17 year for a three-year period.

18                               --o0o--

19          MS. FRENCH: Option five, increase the  
20 tire-derived aggregate civil engineering efforts.  
21 Increase the level of support to contracts in our  
22 interagency agreements that provide technical assistance  
23 and construction management. Second, research new  
24 applications. And, last, implement a new civil  
25 engineering TDA Application Grant Program.

1           Staff suggests \$6 million for the first two years  
2 and 4 million for the following two years.

3           Staff is also suggesting revising PRC Section  
4 42889.3 to require Caltrans to include in its annual  
5 report the number of California-generated waste tires used  
6 in its projects each year.

7                               --o0o--

8           MS. FRENCH: Option six, refocus and expand the  
9 Rubberized Asphalt Concrete Grant Program. We would  
10 combine the solicitation of all three grant programs. We  
11 would created several levels of funding within these  
12 programs. And the RAC Grant Program would establish a  
13 cooperative purchasing option for our rural jurisdictions.

14           Staff suggests \$1 million per year for a  
15 three-year period.

16                               --o0o--

17           MS. FRENCH: Option seven, expand the TDP Grant  
18 Program. As you know, this is a very popular program and  
19 it's oversubscribed each year. Staff is suggesting  
20 providing an additional one million per year for a  
21 three-year period.

22                               --o0o--

23           MS. FRENCH: And, last, reevaluate the TDF  
24 prohibition and conduct a life cycle analysis. Staff is  
25 seeking direction on whether to include recommendations to

1 reevaluate the TDF prohibition, also whether to include a  
2 life cycle assessment of a tire management methods for  
3 \$500,000.

4 Further, staff would like to suggest revising PRC  
5 Section 42889.4 to require ARB to conduct testing of  
6 emissions from facilities where tires are being  
7 incinerated, and compare those emissions from same  
8 facilities where they burn other types of materials.

9 --o0o--

10 MS. FRENCH: This is a summary of our potential  
11 options and the cost.

12 For Year 1, fiscal year '09-'10, as an example,  
13 would be 17 million. Year 2 would also be 17 million.  
14 Year 3, 10 million. Year 4 would drop down to 4 million.  
15 And Year 5 would have zero.

16 --o0o--

17 MS. FRENCH: There's other options that were  
18 submitted. And those are provided in Attachment 2. And  
19 that provides a summary of the options and the rationale  
20 for not suggesting those options.

21 --o0o--

22 MS. FRENCH: The implications for funds and the  
23 fee. In the report you'll see we have tables that have  
24 three scenarios that we've created.

25 One is if all eight options were implemented,

1 then expending the 48 million would leave approximately  
2 3.6 million in fiscal year 2014-15.

3           The second one is if the fee was reduced by 25  
4 cents beginning in January 1st, 2011, and none of the  
5 options were implemented, the fund would have  
6 approximately 9.1 million remaining for fiscal year  
7 2014-15.

8           And the last one is if all eight options were  
9 implemented and the fee was reduced by 25 cents beginning  
10 in January 1st, 2011, the funds would have a negative  
11 balance of 34 million in fiscal year 2014-15.

12                               --o0o--

13           MS. FRENCH: The schedule for the tire report.  
14 As you see, in March we're seeking direction from the  
15 Board. In April we'll revise the report. We'll work with  
16 OPA to format. In May we'll come back and seek the Board  
17 approval. And in June we'll submit it to Cal/EPA.

18                               --o0o--

19           MS. FRENCH: Any questions?

20           CHAIRPERSON BROWN: Do we have any questions?

21           I have some speakers. So maybe I'll go to the  
22 speakers first.

23           Michael Blumenthal.

24           There you are.

25           MR. BLUMENTHAL: Thank you, Madam Chair. My name

1 is Michael Blumenthal. I'm the Vice President of Rubber  
2 Manufacturers Association. We are the national trade  
3 group representing the eight U.S. tire manufacturers.

4 Thank you for the opportunity to be here this  
5 morning. I was hoping to be last, but we'll go first.  
6 Luck of the draw.

7 Going down in the order that they have here, we  
8 are in support of the idea of reducing the size of the  
9 tire shred that would go into a landfill. Of all of the  
10 possibilities, this is probably the least onerous. And  
11 the nice thing about it is it would -- yes, least  
12 onerous -- and it would make the material that much more  
13 prepared for other applications, in particular,  
14 tire-derived aggregate, which I think is a very good  
15 market. Lots of opportunities there.

16 As far as the focus on the tire inflation, tire  
17 care and maintenance, I don't think two years is enough.  
18 It's a lot of money, \$2 1/2 million a year, plus in  
19 combination with your other projects. But I think this  
20 seems to be a longer-term program. I think it needs more  
21 emphasis over a longer period of time. And I would say  
22 that RMA is very interested in working with the Board on  
23 this -- and staff -- to take our resources that we have  
24 and leverage it with the resources that you all are going  
25 to be putting up. I think it's a very good combination.



1 It's also not the first time that we have mentioned this.

2 And we'd like to see this one move ahead.

3           As far as storing materials on site, that is  
4 obviously a very contentious item. I think the key that  
5 has to be looked at is: Does the entrepreneur have the  
6 contract to sell this material? And that should be the  
7 most critical factor that you're looking at.

8           A lot of people can say, "I am looking to sell.  
9 I'm hoping to sell. There's lots of market potential out  
10 there." All those things are speculative. And I don't  
11 think that's the kind of situation you want to find  
12 yourself in. I think you need to make sure that whoever  
13 applies for the additional supply on the site has a  
14 contract in hand to sell this material at some point in  
15 time. I think the concerns are legitimate that this is  
16 one of the problems in the field, because, you know,  
17 three, four, five million tires worth of shreds cannot be  
18 produced in a fairly short period of time. So I think it  
19 does address one of the market concerns. But the  
20 experience that we have is that the key here is to make  
21 sure that the vendor or the entrepreneur has the contract  
22 to sell.

23           Loans. I think the key here is to focus in on  
24 market demand. Loans for expansion, for equipment and  
25 processing, I think the processors can figure that out for

1 themselves. I don't speak for the processors. But from  
2 our vantage, if you're going to put money into anything,  
3 put it into market development. Everything else will fall  
4 into place after that.

5           Tire-derived aggregate. You currently have a lot  
6 of programs currently focus on tire-derived aggregate. I  
7 will talk -- one of the concerns that I have, overriding  
8 everything else, is you already have a lot of money going  
9 into a lot of these programs currently for the five-year  
10 plan. You are not hitting your target market -- you're  
11 not hitting your targets with the current programs that  
12 you have, as well funded as they are. If you increase the  
13 funds, will you have the staff? Will you be able to  
14 manage the additional programs.

15           We are strong advocates of TDA. I think it's a  
16 function of how you do it. I think more educational  
17 programs are necessary. I think you need to get down and  
18 penetrate the potential end-users. Caltrans, the County  
19 Department of Public Works, the California Association of  
20 General Contractors are all critical components. I  
21 will -- quick sidebar. I had a discussion today with one  
22 of the staff people to do a federal highway/green highway  
23 partnership conference here in California. And that is  
24 the target audience that I suggested that you have to have  
25 to make this work. That is the key obstacle, and I think

1 the focus should be on that, not just demonstration  
2 projects. You can do demonstration projects from now  
3 until the cows come home. The obvious answer is, "Well,  
4 let's wait ten years to see if this thing actually works."  
5 That is a great way to get around things.

6           On RAC, I think doing two things there on RAC  
7 make a lot of sense. One is to combine all the programs.  
8 That certainly would streamline things. I think doing the  
9 cooperative programs at the rural counties makes a lot of  
10 sense.

11           But you've been doing RAC programs for as long as  
12 I can remember. And the amount of RAC going into the  
13 roads pretty much has stabilized out. The amount of money  
14 that you're looking -- the additional amount of money that  
15 you're looking at for return on invest for the amount of  
16 tires going into it I think per tire on a dollar basis is  
17 going to be relatively high. I think if you take what you  
18 are suggesting and incorporate it into what you currently  
19 have, it will help to solve a number of problems. But the  
20 potential market out there I think if you took away all of  
21 the grants for RAC, you'd still have the same amount of  
22 rubber going into RAC. I don't think that's helping the  
23 market all that much and I think you pretty much have  
24 peaked out on that one.

25           On tire-derived products, I think if you're going

1 to give away grants for that, the same comments that we've  
2 had. Get the reports back, especially on playgrounds, on  
3 running tracks, on artificial turf. Whatever kind of  
4 programs you have, especially on playgrounds, I think you  
5 need to have some sort of report to come back to look at  
6 the results of these products. I also think you need to  
7 do follow-up on: Does that entity buy more products that  
8 contain rubber on their own? I think that's a critical  
9 component to find out if they're just using the money  
10 because it is available and it makes the purchase that  
11 much less expensive, or do they actually use it to test it  
12 out and then buy it on their own without any grants? I  
13 think that's critical to market sustainability.

14           Keep in mind that at some point in time, I don't  
15 know when, this money may not be available. And if the  
16 money's not available and you haven't developed  
17 self-sustaining markets, all of the millions of dollars  
18 that you spent on all these programs will be wasted. And  
19 that is not what anybody here wants.

20           I think for tire-derived fuel there is a one-word  
21 term that we use. It's called "forget about it." I don't  
22 think the tire-derived fuel market wants any of your  
23 support. I don't think it needs any of your support. It  
24 currently is going on. And I think it's a far too  
25 contentious a topic to even review. I think the fuel

1 market is self-sustaining. I think their biggest  
2 complaint is that they can do it on their own without any  
3 aid from the state; why can't everybody else? And I think  
4 that's a very legitimate question.

5 But I do think the life cycle cost analysis, it  
6 would be a very good tool to have. I think it would open  
7 a lot of people's eyes. We have done a preliminary life  
8 cycle cost analysis. And I think the results will open a  
9 lot of people's eyes about energy use and return on  
10 investment and things like that. I think you should do  
11 one. I think you should include tire-derived fuel. I  
12 think that that will help answer a lot of questions. I  
13 think people who are opposed to a life cycle cost analysis  
14 are afraid to see what the results are.

15 Go back and check your 1991 market report. It  
16 was a good report. You have the beginnings of a lot of  
17 the analyses there. I think it'll get you down the road a  
18 lot faster.

19 There are four other points I'd like to point  
20 out, things that are -- one thing that was mentioned about  
21 tires used for fuel, the term "incineration" was used. I  
22 think that is a poor choice of terminology. The term is  
23 "energy recovery." Incineration by definition means no  
24 energy recovery. And no tires are used in California for  
25 the purposes of incineration, except the few that go into

1 the resource recovery plants. I think all of the  
2 applications in cement kilns and in power plants is for  
3 energy recovery, not for incineration. Incineration is a  
4 term opponents like to use, and that is not technically  
5 correct.

6 Two items that were not considered I think are  
7 critical. One is you have to focus on the border. Now,  
8 you can take a lot of the programs that you currently  
9 have, like TDA and market development, and bring it down  
10 to the border area. But last week there was a border  
11 conference, and the focus was on all of the problems.  
12 Well, I think that was a missed opportunity, because the  
13 focus should have been on the opportunities as well as  
14 what the different major players can bring to the table.

15 I think that California with all of its resources  
16 can bring a lot to the table. And do it in California.  
17 Do it right on the border, and coordinate with the folks  
18 in Baja, California, coordinate with the people with Net  
19 Bank, with the people from COSIF. And I think this is  
20 critically important, because a lot of the environmental  
21 problems that you face in southern California are  
22 generated out of Mexico. And without assisting them to  
23 develop their infrastructure with the resources that you  
24 have, I think you are going to continue to have these  
25 problems. And I think this was overlooked.

1           It also resolves a number of your other soft  
2 spots, such as export of tires, which I won't get into in  
3 greater detail. But it can certainly take care of a lot  
4 of problems that you have along the border area. And I  
5 think that our grant money should be made specifically  
6 earmarked for market development and educational programs  
7 to be delivered to the Mexicans.

8           Keep in mind the monies you've given to -- one  
9 example, the money you've given to Chico State to develop  
10 a civil engineering training course. They have it. It's  
11 easily transferable. You can translate that. Engineering  
12 is engineering. I don't care what language you speak,  
13 it's engineering. It solves a lot of problems along the  
14 border area because they have poor soil structures, is  
15 where civil engineering works best. They have a lot of  
16 tires. It's the first step into creating a market  
17 development, and it meets your goals also for expanding  
18 tire-derived aggregate.

19           The second thing that was overlooked was focusing  
20 in on the obstacles. Every time you have a new market,  
21 you have new questions. Now, you may want to incorporate  
22 some of this into some of your ongoing programs. But  
23 without addressing obstacles, no matter what you spend on  
24 markets to develop a new product, you're going to run into  
25 somebody saying, "This is not a good material. There are

1 all kinds of environmental questions."

2 CHAIRPERSON BROWN: I've totally lost you for a  
3 second.

4 Are you talking about the conference or are you  
5 talking about the agenda item?

6 MR. BLUMENTHAL: I'm talking about the agenda  
7 item. The conference -- I was talking --

8 CHAIRPERSON BROWN: Because you've referenced the  
9 conference and then you started talking about missed  
10 opportunities --

11 MR. BLUMENTHAL: Oh, I'm sorry, I'm sorry.

12 CHAIRPERSON BROWN: -- and you didn't transition  
13 back to the agenda item. So I was thinking you were  
14 talking about the opportunities and things that were  
15 missed at the conference --

16 MR. BLUMENTHAL: The things that were missed at  
17 the border conference. But this will give you a great  
18 opportunity to incorporate your plans, like on  
19 tire-derived aggregate, and solving environmental problems  
20 in southern California, the San Diego area, by helping to  
21 develop markets along the Mexican border.

22 Next item, obstacles. Totally different. On all  
23 tire-derived products there are going to be obstacles that  
24 are -- questions that come up about a new material, a new  
25 product. I think it's important to have technical



1 information that answers these questions. And I think the  
2 agencies here have both the technology, the experience,  
3 the expertise, as well as the credibility when they come  
4 out with a report. Like the OEHHA report on tires used in  
5 playgrounds. That's a very good report, very  
6 authoritative report, carries a lot of weight. These are  
7 the kind of things I think cannot be overlooked at -- if  
8 they're not in there.

9           The last comment is a general comment about the  
10 amount of extra money and extra projects. With the  
11 reorganization, I think that you're going to be shifting a  
12 lot of these projects to people who don't have as much  
13 experience working with tires as the current people  
14 working -- that you have currently working on the tire  
15 program. I think there's going to be a loss of  
16 institutional memory and I think there's going to be a lag  
17 there. And if you keep on adding new projects, more  
18 projects with new staff people, I think you're going to  
19 run into a number of internal institutional obstacles.

20           So this is --

21           CHAIRPERSON BROWN: With all due respect,  
22 Michael, the reorg is over. Staff is where they are. The  
23 people who have the great knowledge are very valuable and  
24 they're valuable in their new programs. And the new  
25 people in these programs will learn the information and be

1 that much more valuable. So I'm just going to cut that  
2 one. We aren't discussing the reorg anymore. We saw it  
3 as a benefit and we see the benefits, and hopefully the  
4 greater stakeholder community will as well.

5 I know that continues to come up, so I'm just --  
6 for everybody in the audience, the reorg is not a subject  
7 for discussion in the item on the legislative report on  
8 tires.

9 MR. BLUMENTHAL: With that, thank you very much.  
10 If you have any questions, I'll be here or you can call me  
11 back up. Thank you.

12 CHAIRPERSON BROWN: Thank you, Michael.

13 Does anyone have any questions before he steps  
14 back?

15 Gary.

16 COMMITTEE MEMBER PETERSEN: Michael, can you  
17 explain to us what EPA is up to with regards to using --  
18 basically classifying tires as a hazardous waste?

19 MR. BLUMENTHAL: They're not going to classify  
20 tires as a hazardous waste. That is a misnomer. Last  
21 year there was a court decision in the Circuit Court in  
22 Washington DC. Earth justice sued EPA relative to how EPA  
23 defined solid waste under the Clean Air Act. And tires  
24 for purposes of the Clean Air Act were defined as a solid  
25 waste.

1           At issue is under which section of the Clean Air  
2 Act would all solid waste be classified, either Section  
3 112, which is known as the MACT standard, most achievable  
4 control technology, where they currently lie, or under  
5 Section 129, which is the hazardous waste incinerator  
6 regulations.

7           The court decision basically said that solid  
8 waste should have been regulated under Section 129. That  
9 does not mean that solid waste is classified as a  
10 hazardous waste, but it means that any solid waste which  
11 is combusted in any kind of operation, that combustion  
12 operation would have to comply with the hazardous waste  
13 incinerator regulations.

14           COMMITTEE MEMBER PETERSEN: 129.

15           MR. BLUMENTHAL: 129. That has not been  
16 instituted as of yet. Right now all tire-derived fuel as  
17 well as all solid waste combustion is still regulated  
18 under Section 112.

19           EPA is currently thinking about how they're going  
20 to redefine solid waste -- all solid waste, not just  
21 tire-derived fuel -- all solid waste for the purposes of  
22 the Clean Air Act. We expect a decision, well, sometime  
23 in the next couple of months.

24           I can tell you that if EPA defines tire-derived  
25 fuel under Section 129, all tire-derived fuel activity

1 will stop. It's just going to stop across the country.

2 COMMITTEE MEMBER PETERSEN: And what's the size  
3 of the tire-derived fuel market here in California?

4 MR. BLUMENTHAL: They're what, Eight, nine  
5 million tires?

6 MS. FRENCH: Eleven percent.

7 MR. BLUMENTHAL: Eleven percent. All right.

8 COMMITTEE MEMBER PETERSEN: Eleven percent comes  
9 back into the marketplace?

10 MR. BLUMENTHAL: Eleven percent goes back into  
11 the marketplace.

12 COMMITTEE MEMBER PETERSEN: And back into  
13 landfills is where it's going to go.

14 MR. BLUMENTHAL: Anyway, it's somewhere between  
15 four and seven million tires. If that would happen, they  
16 would go back in -- they would go back into the pot. They  
17 would not be used.

18 COMMITTEE MEMBER PETERSEN: Okay. Thank you,  
19 Michael.

20 CHAIRPERSON BROWN: Okay. Chuck White.

21 MR. WHITE: Thank you, Madam Chair, members of  
22 the Board. I have absolutely no comments and fully  
23 support your reorganization plan.

24 (Laughter.)

25 MR. WHITE: But I do have some comments on this

1 matter related to the tire disposal report.

2           Waste Management has always been a strong  
3 supporter of advocating increased markets for the  
4 recycling of tires. We have one facility, our Azusa  
5 landfill in southern California. And we do everything we  
6 can possibly to find legitimate markets for those tires  
7 for recycling before they are placed into the fill.

8           We're also in the process, have been in the  
9 process for a number of years, of trying to secure a  
10 permit as a monofill for our California asbestos monofill  
11 just south of here. And we're on the verge of hopefully  
12 getting close to that. So that would be another option  
13 for finding a home for tires that can't find a home  
14 through recycling and otherwise.

15           And both of these two facilities are mine  
16 reclamation projects for which the mine reclamation  
17 depends on finding materials to reclaim these sites. And  
18 the materials that we use is a little bit of asbestos when  
19 it comes for remediation projects, C&D materials, and  
20 tires. And lacking any source of these materials, these  
21 reclamation projects will basically grind to a halt.

22           So we would urge you to consider that there is  
23 maybe a less beneficial option than other types of  
24 recycling activities. But there is some sort of benefit  
25 with respect to reclaiming these sites and returning them

1 to beneficial use or securing them for long-term posterity  
2 sake.

3 We fully support the majority of the report. All  
4 the options related to increasing recycling, to pull  
5 materials out of disposal, to find markets, to increase  
6 those markets we're 100 percent behind and we'll just go  
7 to the mat to support that.

8 It's the first item of options, that is, reducing  
9 tire size, increased tipping fees, and phasing out  
10 disposal of tires at landfills and monofills that we have  
11 some concerns with. Now, we sent a letter to you late  
12 this afternoon. I brought additional copies if anybody  
13 doesn't have one. But I'll just briefly summarize that.

14 And the option that the staff of that category  
15 seems to be focusing on is mandating a smaller tire size  
16 prior to disposal, apparently as a means to combat the  
17 identified problem of cheap disposal. Well, we've  
18 increased our rates at our Azusa landfill recently, in  
19 part because the staff suggested we probably could sustain  
20 higher prices. We're not opposed to raising prices if we  
21 can generate more revenue, I can assure you of that. But  
22 there is a downside of potential illegal disposal, which  
23 I'll touch on in a second.

24 We're concerned that requiring tires to be  
25 shredded into a smaller size than necessary even when no

1 recycling may be available is a waste of energy and  
2 resources. The added energy, the added greenhouse gas,  
3 the impacts that could come from further reducing the tire  
4 shred when there's no market and just simply prior to  
5 putting into a land disposal doesn't make any sense to us.

6 But perhaps more importantly, reducing the tire  
7 size prior to disposal is directly contrary to this  
8 Board's own regulation that we spent many, many months a  
9 couple of years ago developing for tire monofills. And  
10 you didn't want to reduce the tire shreds to too small a  
11 size because of potential fire danger. I think it was --  
12 and concomitant with small fines and small shreds and  
13 greater exposure of the beading in the tires.

14 So we're really concerned that this would be in  
15 conflict with your tire monofill regulations, which we've  
16 spent many long hours working on.

17 Requiring the tires be shredded to a smaller size  
18 really does nothing to actually increase recycling of  
19 tires. There still needs to be a market there demanding  
20 the tires. Recently there was a situation at our Azusa  
21 landfill where someone approached us to send our tire  
22 shreds to China for use as a fuel. And we had some  
23 significant reservations about doing that. In fact, we  
24 didn't do that because we were concerned about the  
25 potential greenhouse gas consequences. We didn't know

1 how -- and what kind of facilities these tires would be  
2 burned in, and we basically turned it down.

3           So as a result, some of those tires that would  
4 have gone to China and used as fuel ended up going into  
5 our Azusa landfill. But, quite frankly, we think that's  
6 probably a better way until we can be sure of the end  
7 output from some of these recycling options. And I think  
8 Waste Management will continue to be very careful about  
9 making sure that we don't send materials irresponsibly  
10 overseas when we're not certain of the outcome.

11           One of the other options you considered, and we  
12 believe the staff has rejected, is increasing tipping  
13 fees. And as I mentioned previously, Waste Management  
14 Azusa did increase fees recently at our Azusa landfill, in  
15 part because that was a staff suggestion and in part  
16 because we felt that the market could bear it. Although  
17 we did hear a number of reports after the raising of the  
18 fees of increased illegal tire disposal in the southern  
19 California area in the vicinity. And we reported those to  
20 the Waste Board. We don't know the outcome of those  
21 investigations. But there is that ongoing concern, is if  
22 you do increase the fee and expense of these tire  
23 monofills, which admittedly are the last result in the  
24 event that a market is not available, you still run the  
25 danger of even a lower tier on a Waste Management



1 hierarchy, and that's illegal disposal.

2           One of the other issues was the phase-out  
3 disposal of tires at monofills. And we think it's really  
4 premature to phase out a safe permitted disposal option,  
5 particularly at these two facilities that we have that are  
6 mine reclamation facilities and the mine reclamation  
7 concept hinges on finding materials to reclaim these  
8 sites. And so to phase that out would basically render  
9 the reclamation of these two facilities in particular much  
10 more difficult.

11           So Waste Management really strongly urges the  
12 Board to focus on the recycling components of this plan to  
13 draw as many materials as you possibly can. You've got a  
14 goal to reach 90 percent recovery and recycling of waste  
15 tires. We'll support that.

16           But we are really concerned about methods such as  
17 artificially generating smaller tire shreds with no  
18 demonstrated market fails economic and environmental  
19 analysis as well as logical public policy.

20           Thank you very much.

21           CHAIRPERSON BROWN: Thanks, Chuck.

22           Any questions before -- okay.

23           Jana Nairn.

24           MS. NAIRN: Thank you, Madam Chair and Board  
25 members and staff, for the opportunity for us to offer

1 some comments today with regard to this report.

2 All in all obviously this is a very good report.

3 Thank you, Sally, for all your effort and for your  
4 outreach to stakeholders to get our input along the way.

5 I'm going to -- unlike Michael Blumenthal, I'm  
6 going to approach it a little differently and not go down  
7 the list in order but instead hit on some areas that we  
8 feel maybe the priorities should be a little bit  
9 reorganized.

10 I did send some comments by e-mail to all the  
11 Board and staff members. Hopefully you've had a chance to  
12 review that.

13 Backing up a little bit. Jana Nairn, Golden  
14 By-products. We're one of the largest and most  
15 diversified scrap tire recyclers here in what I call  
16 northern California, Central Valley, Merced County,  
17 recycling nearly about five million tires a year here in  
18 collaboration with the state and working with you guys to  
19 solve the problems of tires.

20 So our analysis of the proposal is initially to  
21 look at what I call Proposal No. 7, which is with regard  
22 to expanding or shifting the TDP Grant Program. But it  
23 kind of also ties into number 5 and number 6 as well, when  
24 you look at my comments. We really feel like this has  
25 been a very successful program in building market demand

1 for the industry. Kind of like if it's not broken, don't  
2 fix it. In fact, maybe even continue this hammer-down  
3 with this effort. And this should be the primary area of  
4 focus. It really is maximizing return on investment as  
5 far as market development is concerned. We're seeing it  
6 not just funded by grants. But outside of grant funding  
7 it really -- every project that's done provides a  
8 successful example of that material on the market.

9           Some comments of how to -- if you have the money  
10 available and the money's not going to go directly to the  
11 processors like ourselves, this money actually funnels  
12 through these projects to ourselves as processors. And  
13 we're the ones actually recycling the tires and solving  
14 the problem and getting them out of landfills. So this  
15 helps across the board. And then it also, like I said,  
16 gives example projects with good results.

17           Addressing the concern of a market that is  
18 dependant on grants is of our concern as well. We're here  
19 for the long run. It's a family business. I want my kids  
20 to be doing this in the next generation as well. So we  
21 don't want a market that's going to turn around or die or  
22 change if these grants go away. So I think it's  
23 important, like Michael said, to really watch the tracking  
24 and the trends of where that market's going so you can  
25 see, one, what's your return on investment with the

1 grants; but also that you can see -- as you start to pull  
2 back on the grants, that you're continuing to see the  
3 market's continuing to grow. And I think we will see that  
4 if we're able to grasp that data and follow that along.

5           In an attempt to maybe reduce some administrative  
6 costs, it might be considered to not just consolidate the  
7 RAC grants, but pull all the product grants together. I  
8 mean talking about RAC, TDA. You've already consolidated  
9 the TDP grants over the past couple years, which I think  
10 was a good move. And there could be further consolidation  
11 with all of the products across the board.

12           I noted Board Member Mulé's comments about the  
13 opportunity for municipalities to complete the circle when  
14 it was with regard to green waste that you mentioned  
15 earlier. This is a real opportunity here as well. And we  
16 use that when we talk to municipalities. And this is the  
17 vehicle to do that with.

18           Bottom line, I really feel like these grant  
19 programs are the best return on investment when it comes  
20 to spending the dollars that the state has.

21           Next is what I consider -- Michael mentioned  
22 obstacles -- overcoming obstacles. So this is an area  
23 that I don't think is really addressed in the eight  
24 proposals. But I put this as number 2 as far as we're  
25 concerned. And, that is, to take any and all necessary

1 steps to support, promote, and specifically remove  
2 barriers when it comes to these markets. We're seeing  
3 them come at us from all different directions. As markets  
4 gain momentum, we're going to see barriers. And we don't  
5 know what those barriers are initially until we get the  
6 markets going. But we have to have a vehicle right along  
7 market development to attack those barriers.

8           So specifically conducting and compiling  
9 necessary testing and research and maybe even template  
10 reports that help facilitate -- this can go all the way  
11 from tire-derived products to TDA as well. Do the  
12 research ahead of time, help to give template reports so  
13 that the entities don't have to redo those reports again  
14 and again. I think anything we can do to eliminate  
15 barriers is a big -- will be a big component. Maybe even  
16 utilizing the research model that was discussed earlier at  
17 the meeting as well.

18           Next, Proposal No. 4, which is the new equipment  
19 loan. We appreciate the focus on existing processors  
20 as -- that are currently solving the problem. However,  
21 we're a little bit confused about the real focus on TDA at  
22 the point. And my point to this is, we've been a big  
23 proponent of TDA, we think TDA has a fit in the  
24 marketplace. However, TDA is one of the easier things for  
25 us as processors to make. And so you're just not going to

1 get a processor -- an established processor to invest in  
2 TDA until that TDA market is established. I know it's a  
3 chicken-and-egg thing for the state as you're trying to  
4 build a market. It's a chicken-and-egg thing for a  
5 processor too. We're not willing to make that investment,  
6 even if it's a small one, unless there's a sustainable  
7 market. Right now that TDA market is competing against  
8 the markets that are there, the crumb markets and the  
9 molding markets and the ground rubber markets and such.  
10 So just a little bit of realization of where the markets  
11 are when it comes to evaluating this preference of TDA.

12           The proposal to reduce what goes to landfill and  
13 to evaluate the modifications of tire storage are both  
14 policy changes that we think the Board should look at, and  
15 we're glad to see those up on the screen. We've been  
16 talking about that for a long time and would look forward  
17 to continuing that discussion with the Board as that goes  
18 forward. Those aren't going to be easy things to address.  
19 But those are things that we would support as well.

20           There's more detail in my notes, but I'll let you  
21 review that on your own time and just open the door for  
22 you to contact me if you have further questions or  
23 clarifications.

24           CHAIRPERSON BROWN: Thank you, Jana, very much  
25 for being here.

1           We've got a couple more.

2           And we appreciate you submitting those comments  
3 ahead of time too. That's very helpful.

4           Terry Leveille, followed by Steve Boyd.

5           MR. LEVEILLE: Madam Chair and Committee members.

6 Terry Leveille, TL & Associates, representing a couple of  
7 different clients today, none of which are -- all of which  
8 are mutually exclusive. So we don't have any conflict  
9 here.

10           But we do have one that's actually down the line  
11 could be a conflict. And that's the Tire Dealers  
12 Association, who, as I've mentioned before on several  
13 occasions, have a problem with the tire fee itself; feel  
14 that this LAO report wouldn't be necessary if the tire fee  
15 had been about 50 cents to the Board rather than the  
16 current dollar. And recognizing that the Board and the  
17 state has to develop their infrastructure for tire  
18 recycling, the tire dealers understand that this is  
19 something that's going to be looked at down the line in a  
20 few years, and they just want to keep it fresh in your  
21 minds.

22           They are a little bit concerned, however, that  
23 the -- even though the LAO report does seem to take care  
24 of the short -- or the overage in the Tire Fund balance,  
25 that there is a structural imbalance every year in the

1 tire programs. In other words, the Board through Board of  
2 Equalization is collecting more money and has been for  
3 many years collecting more money than they have been able  
4 to spend. We don't see how the current -- how the  
5 programs listed here and the increased cost for these  
6 programs is going to affect or reduce the structural  
7 imbalance. In other words, we're too successful. And the  
8 Board is not successful enough in being able to spend  
9 enough money.

10           So this is one of the major reasons why the tire  
11 dealers are, you know, squawking from time to time.

12           We would love to see the 75 cents that goes to  
13 the Air Board go away too. We feel that that money was  
14 improperly expropriated back several years ago. But  
15 that's a subject for a different time and a different  
16 board.

17           Next we have Laken Tire, the 800-pound gorilla  
18 down in southern California. They have raised some  
19 concerns about the proposal to reduce the size of the tire  
20 shred that goes into the landfill. Their feeling is that  
21 they don't think that the implication or the proposal will  
22 enhance in any way the up-front amount that tire recyclers  
23 are going to gather should this go into effect, which is  
24 one of the major reasons why this is going into effect.  
25 They also wonder at the time of looking at a TDA-sized



1 chip whether or not there are enough TDA projects  
2 available to take care of this. Or if there are -- or if  
3 there will be more TDA projects, they feel there's  
4 sufficient TDA equipment throughout the state and several  
5 companies that can take care of any increase. And if that  
6 increase continues, there will be companies that come on  
7 board to purchase equipment to make that TDA. It's a very  
8 quick and easy way to process tires. And that equipment  
9 can be brought on board and started up in a very quick and  
10 easy way.

11           They also raise concerns, as Mr. White did, about  
12 possible illegal disposal of tires should it be more  
13 costly to produce the chip. That's an issue that came up  
14 several years ago, maybe what, eight, nine years ago, when  
15 there was a proposal in the Legislature to reduce the tire  
16 size to four-inch chip. And it was soundly defeated  
17 primarily because a concern about increased illegal tire  
18 disposal.

19           As far as the TDA -- the relaxation of storage  
20 issues for TDA, Laken had proposed about six months ago a  
21 relaxation of storage standards but not for TDA. They had  
22 looked at it for probably one of the most active and  
23 popular types of tire-derived product that is growing in  
24 consumer acceptance, and that's landscape mulch. They  
25 were suggesting that a colorized landscape mulch, or

1 product similar to that, that's bagged and on pallets and  
2 ready to go should not count against an individual  
3 company's waste tire storage requirements. I understand  
4 that staff has sort of convoluted this to focus on storage  
5 of TDA, which is a different issue however. You know, I  
6 mean that's something that probably should be discussed  
7 for its merits if indeed the state is having problems  
8 getting TDA to the project sites.

9 But the specific, more narrow issue right now is  
10 for the manufacturers of the landscape mulch that don't --  
11 that currently can't have an exemption under their storage  
12 requirements, like crumb rubber processors do. Crumb  
13 rubber is right now the only one with an exemption. They  
14 feel that this kind of a product, a very popular product,  
15 should be considered for possible exemption from storage  
16 regs.

17 And then, finally, just looking at the overall --  
18 the big picture from Laken's standpoint, once again, they  
19 say we got 58 -- what, \$58 million, we got ten million  
20 tires that are going into the landfill. Their thinking is  
21 if the Board and staff put their heads together, they  
22 could figure out a way to be able to reduce 90, 95 percent  
23 of the tires that are going into the landfill with that  
24 \$58 million. Whether it's grants for equipment to allow  
25 for expansion of products that are deemed -- that are

1 required to show that they actually diverted tires that  
2 are going into the landfill or some other way of doing it.  
3 But the piecemeal approach they feel is one that maybe  
4 could be looked at from a larger perspective. And if you  
5 think about it, we do have a lot of money there. And it  
6 seems like there could be something put in place of an  
7 expansion of the current companies that are making product  
8 right now, that are processing product, that could take  
9 care of the problem.

10 That's Laken's concerns.

11 CRM, largest crumb rubber processor in California  
12 and the country. They suggested a loan program about  
13 three months ago that would take care -- would have a  
14 company purchase their own commercial loans and have the  
15 Board -- have a grant program to pay off the interest for  
16 that commercial loan program.

17 They also were supportive of a loan program that  
18 would allow for the Board to provide incentive grants  
19 three years down the line to forgive those loans. Should  
20 the goals set in the loan application and the payoff from  
21 the companies be met, that there would be an incentive for  
22 those loans. They're very concerned that the RMDZ loan  
23 program, even though you're expanding it to companies that  
24 are not in a zone, is not going to be very popular. And I  
25 mean the only way you can do this is just by how much you

1 market it and see if there's any takers.

2           And I know it was only suggested that TDA be the  
3 priority. I'm sure that you're going to be -- you're  
4 going to be opening it up for more things than just TDA.  
5 But nevertheless, their feeling is that it's going to be a  
6 long time before those loans are gobbled up. They just  
7 don't think there's going to be that much demand for them.  
8 But, you know, you have staff that maybe thinks otherwise.

9           Finally, on the RAC Grant Program, CRM believes  
10 that they -- they would support combining the targeted RAC  
11 Grant Program and the RAC Use Grant Program. But they  
12 feel that putting the Chip Seal Program with those two  
13 others is maybe a bit premature. Chip seal does not use  
14 very much crumb rubber. RAC, on the other hand, does use  
15 a significant amount of crumb rubber. Chip seal is just  
16 being tried out this year for the first time. And they  
17 feel that if you put it in a block grant of the three,  
18 jurisdictions will start using that money primarily for  
19 chip seal projects rather than asphalt rubber projects.  
20 Now, you know, this isn't to say that chip seal projects  
21 using crumb rubber is a bad thing. It's just saying that  
22 it's a different animal than asphalt rubber and that the  
23 staff should rethink maybe merging them all three together  
24 rather than just keeping the two RAC programs together and  
25 the chip seal separate to that.

1           Other than that, there's probably a lot of other  
2 things that I could think of, but I know everybody wants  
3 to get home, so that will be my report for the day.

4           Thank you.

5           CHAIRPERSON BROWN: Thank you, Terry. I may have  
6 questions for you later.

7           Steve.

8           MR. BOYD: Good afternoon, Madam Chair and  
9 members. I'm Steve Boyd, an ex-Waste Board Market  
10 Development staff employee.

11          CHAIRPERSON BROWN: How about former.

12          MR. BOYD: My education that I received in my 16  
13 years working with the Board was really priceless.

14          I was fortunate and even blessed to have the  
15 opportunity to work with a number of manufacturing heroes  
16 out there. And these folks taught me a lot of  
17 information, a little bit of which I'd like to share with  
18 you today.

19          My comments here are just going to relate to  
20 Recommendation No. 7. I know that each of us that are  
21 speaking before you today have our own agendas. And my  
22 agenda is just to share with you three topics that I think  
23 are important, particularly to the market development  
24 issues related to tire-derived products.

25          The first topic is risk. And, you know, risk is

1 a small four-letter word that has a huge impact on  
2 tire-derived products and the manufacturers. There's  
3 always a risk to the Board. And heaven knows, exposing  
4 yourself in a report to the Legislature comes with a  
5 substantial risk. And at best, you can manage these  
6 risks. At worst, you have program failures.

7           And then there's the risk for the TDP  
8 manufacturers. These people take on a very, very large  
9 risk. And they deal with things like reliable supplies,  
10 equipment performance, markets, sustainable margins. And  
11 in some terrible cases they can even lose the ranch.

12           And, lastly, there's a risk for the TDP product  
13 manufacturers. These people are wondering if this  
14 product's going to be an improvement over what the  
15 existing procedures are. They're wondering if the costs  
16 will compare. They worry about quality. They worry about  
17 delivery and service.

18           The second topic -- broad topic has to do with  
19 relationships. And I've heard this mentioned a couple  
20 times today. Business runs on these relationships. And  
21 for a TDP manufacturer to break in to the current existing  
22 business relationships or to start a new business  
23 relationship can be tough in good times and most difficult  
24 in the poor economic times that we're experiencing today.  
25 However, these relationships are necessary for successful

1 market development and orders.

2           And that's the last topic. And this is the  
3 thousand-pound gorilla, and that's orders. And how big is  
4 orders? Well, I think if you ask any manufacturer what  
5 they really need, I think they're going to tell you that  
6 the answer is orders. And if your Board can get the ball  
7 rolling on enough orders for tire-derived products -- and  
8 these products need to have sustainable business  
9 margins -- these manufacturers will contribute greatly to  
10 helping you fulfill your tire management goals for  
11 California.

12           Now, I understand that the Waste Management Board  
13 is a regulatory agency. I know the regulatory policy is a  
14 work in progress, and it can be difficult to establish  
15 until accepted. But I also believe that market  
16 development of recycled tires, because of the many, many  
17 always changing influences, will always be a never-ending  
18 work in progress; and market development is a hard nut to  
19 crack, but it must be dealt with if the mandates are to be  
20 achieved.

21           Now, I'm not here to argue against any of the  
22 staff recommendations. In fact, I compliment them.  
23 Obviously there's a lot of work that's gone into that.  
24 But I am here to identify what I see as the shortchanging  
25 of one of the recommendations. This recommendation

1 actually helps with managing the risk, developing the  
2 required relationships, and generating the orders needed  
3 for a strong tire-derived product industry.

4           And to understand my point, you only have to look  
5 at the length of the recommendation narratives for the  
6 numbers 1 through 6 and number 8. It takes 1,158 words in  
7 Recommendation No. 3 to discuss the issues for  
8 modification of tire storage requirements. Now, I have no  
9 problems with this. That's fine. But then when you look  
10 at Recommendation No. 7, which is to expand or shift the  
11 Tire Grant Program, we have a mere 227 words.

12           And in the report to the Legislature, you know, I  
13 believe that Recommendation No. 7 deserves an expanded  
14 discussion in additional funding. And I hope that you'll  
15 consider, you know, beefing this up a little bit, both in  
16 terms of program ideas and also dollars. I think the fact  
17 it's identified as an oversubscribed program should be a  
18 huge clue. And I see this out there in the real world all  
19 the time.

20           Recommendation No. 7 does reduce the risk  
21 associated with tire-derived products. It assists in  
22 developing new business relationships. And, most  
23 importantly, Recommendation No. 7 encourages and assists  
24 local jurisdictions in placing orders with your  
25 tire-derived product manufacturers.



1           Now, finally, one last suggestion. I would  
2 encourage you to remove the maximum dollar grant limits  
3 per PTE so that high-value-added tire-derived products  
4 will be encouraged. Now, in the item it mentions a  
5 five-dollar-per-tire PTE. I've heard talk that this might  
6 be expanded to \$8. And even with an eight-dollar PTE  
7 limit, when transportation costs are subtracted from  
8 these, all that can be purchased without the grantee  
9 contributing a considerable amount is low-value-added  
10 products. And those low-value-added products come with  
11 low business margins, and it's not a healthy environment  
12 in the world that we know of supply and demand for tires.

13           Now, the purchase of a 20-dollar PTE product  
14 should get the grant application bonus points rather than  
15 the grant applicant a 12-dollar expenditure plus  
16 transportation costs.

17           And high-value adding translates into margins  
18 that manufacturers need to sustain the desired diversion.  
19 And we're facing some poor economic times out there. But  
20 I can tell you this is a great opportunity for this good  
21 program. This is an opportunity for these people to try  
22 something that they haven't tried before because they have  
23 no other options available when they're actually faced  
24 with budget crisis that I'm seeing out in the rural  
25 jurisdictions.

1           So with that, I thank you for the time and  
2 appreciate your listening.

3           CHAIRPERSON BROWN: Steve, thank you very much.  
4 Actually, that was -- the words on TDP, I'm hoping that  
5 the reason they used less words was because it's an easier  
6 sell. Because it is a great program. So I'll take the  
7 optimistic view of the fact that we didn't need persuading  
8 quite as much on those, because it is a great program. It  
9 is always subscribed, but they do use theirs. But we've  
10 just lowered the PTE, because the projects are getting  
11 there and they are self-sustaining. And I think the  
12 reason that we looked at the PTE going lower is in order  
13 to encourage the self-sustaining market so that they would  
14 continue without having the high reimbursement per tire.

15           Any comments or questions?

16           Rosalie.

17           COMMITTEE MEMBER MULÉ: Thank you, Madam Chair.  
18 I just have a few.

19           If I could just go down the list here.

20           On reducing the tire size, I'm not sure where I  
21 am on that.

22           Increasing tipping fees, I'm not sure that I can  
23 support that.

24           And, again, as I said in the ADC item, I would  
25 really like for us to focus on market-based solutions as

1 opposed to bans. So that's number 1.

2           Number 2, public education and outreach. I do  
3 know that there -- Triple A, for example, has a great  
4 program out there. And rather than reinvent the wheel,  
5 I'd really like to see us team up with that. And I don't  
6 know that I can support five million a year over the next  
7 two years. I just think that's an awful lot of money for  
8 us to spend on outreach when, again, there's other  
9 organizations that are out there doing similar programs.

10           CHAIRPERSON BROWN: Take our money and leverage  
11 it. I mean I think that we've been working with our  
12 projects with Ogilvy -- I'm looking at John -- and we have  
13 been working with the industry and leveraging our  
14 partnerships. And we need to utilize a little bit more of  
15 that and not look at us completely funding some of these  
16 thing. To what level --

17           COMMITTEE MEMBER MULÉ: Right. Thank you.

18           And then on number 3, I strongly support  
19 evaluating the modifications of the tire storage  
20 requirements. Again, if it's going to help us with market  
21 development and have that supply ready for the market,  
22 then I think we need to take a close look at that,  
23 obviously keeping public health and safety in mind at all  
24 times.

25           Establishing a new equipment loan program. I was

1 just wondering if we could look at the other option that  
2 you had presented but didn't support. And that was  
3 providing -- or exempting the manufacturer from sales tax  
4 on their equipment, as opposed to providing a loan.

5 Expanded civil engineering TDA efforts.

6 Absolutely. Anything that we can do to again expand those  
7 markets. The Chair and I had met with the L.A. San  
8 District and shared with them the San Jose noise  
9 attenuation project that Stacy worked on. And they were  
10 very excited and wanted to learn more about that.

11 So, Stacy, if they haven't contacted you, they  
12 will be contacting you on that program, the L.A. San  
13 District.

14 So, again, anything we could do to expand markets  
15 is great.

16 Refocus and expand RAC grants. I can't tell you  
17 how much the jurisdictions appreciate these grants. It  
18 really allows them -- especially in these tight budget  
19 times, it really allows them to do things that they  
20 normally can't do. And it gives them that motivation in  
21 terms of being compliant with AB 939. And they understand  
22 now that they're helping to close the loop by using  
23 recycled content products -- and, frankly, it's a good  
24 intro to use the RAC grants as again a motivation for  
25 jurisdictions to do more, as with organics, and encourage

1   them to close the loop with that.

2           Expand or shift TDP grants. The question I had  
3 here for staff is: How much has the TDP Grant Program  
4 been oversubscribed? And in the item we have \$1.8 million  
5 for this year. So then my question becomes: Why are we  
6 only allocating \$1 million if it has continually been  
7 oversubscribed every year? Perhaps we should look at  
8 putting more money into that program. Just a suggestion.  
9 Okay?

10           And then I support Option No. 8 too.

11           So that's it. Thank you.

12           CHAIRPERSON BROWN: Gary.

13           COMMITTEE MEMBER PETERSEN: Madam Chair, this is  
14 a question I guess -- first of all, Howard, on the -- I  
15 agree with Rosalie -- Member Mulé about the storage of the  
16 civil engineering products and having product available  
17 just like you do in the lumber industry when you're  
18 building homes. I think it's a great idea and I think  
19 it's something that needs to be explored also.

20           On emerging technologies -- and, Howard, this  
21 question basically is for you, I guess, or maybe Michael.  
22 Do we see in product development -- and I'm not talking  
23 about just fuel. I'm talking about other kinds of  
24 products that are being -- are we exploring that and are  
25 we looking for more -- I mean really taking a hard look,

1 at looking at other countries what's going on and seeing  
2 if there's anything out there that is going to help us  
3 eliminate the tires going to landfill?

4 PROGRAM DIRECTOR LEVENSON: Well, certainly in  
5 general the -- and we could have Calvin or Mitch come up  
6 and talk a little bit more about the Tire Business  
7 Assistance Program. But those are the kinds of  
8 opportunities we're looking for. If there's a higher-end  
9 product or process, we do want to talk to them, maybe that  
10 they can come into California. And that's part of the  
11 function of the Business Assistance Program, is to attract  
12 those businesses and work with them here in California.  
13 So that's one possibility.

14 There's certainly -- the same kind of business,  
15 if we became aware of it through research or contacts, we  
16 could work with them in the existing or the potential  
17 expanded loan programs, you know, referrals to CPC -- and  
18 there's a lot of different things we can do with our  
19 existing programs or with these enhancements that would  
20 accommodate certainly any high-end technology. I'm aware  
21 of a couple that staff is working on. Those are sort of  
22 confidential discussions in terms of the potential  
23 products. But that fits right in with what we are trying  
24 to do.

25 COMMITTEE MEMBER PETERSEN: Because this is all

1 part of the market development stuff that we need to do.

2 Okay. Thank you, Howard.

3 CHAIRPERSON BROWN: I guess that's me.

4 I kind of had a little deja vu as we were talking  
5 about markets on tires to this morning and markets on  
6 green waste, because it's all about markets and market  
7 development. So I don't know if anybody reused the same  
8 speech from this morning. But a lot of it resonated and  
9 we continue to talk about market development. So I think  
10 that is a huge focus of ours, and we have an entire  
11 strategic directive focusing just on markets and market  
12 development.

13 So with that being said, I do support the options  
14 that you laid out. You know, I have some reservations  
15 with a few of them here and there. Not in huge measure.  
16 I think they're worth exploring. You know, I don't know  
17 if TDF is DOA. But we need to talk to the ARB before we  
18 do anything -- CEC and OEHHA and DTSC, so we can include  
19 all of the acronyms and everybody on board.

20 But, you know, there's no reason to look back at  
21 TDF if there is an issue with the Legislature and we're  
22 just not going there. You know, to some degree -- I mean  
23 you know, Michael said they don't need us, we don't need  
24 them. You know, I wonder if that's even worth it.  
25 There's such a focus in the Legislature on greenhouse gas,

1 that it would need to be the ARB that looked at whether  
2 there is a beneficial use for TDF over some other  
3 alternative fuel. But that needs to be the ARB. That  
4 should not necessarily be us. Because I think that we  
5 have other uses for waste tires that we can get out of the  
6 landfill without having to go to TDF. That's my opinion.

7 Of the others though, you know, I agree with  
8 Rosalie on seven. We should, you know, look at increasing  
9 those fundings. I think that they are becoming -- well,  
10 I'm hoping, and maybe we look at a study to see if these  
11 markets are continuing to sustain themselves as we  
12 continue to fund them annually to the level we do.

13 RAC. Great.

14 Civil engineering I think is a great opportunity  
15 out there. And if we need to look at the evaluation of  
16 the storage modifications in order to continue that  
17 usage -- I know the Governor and the Legislature are  
18 pushing on infrastructure -- where we can influence and  
19 advocate for closed loop on these infrastructure  
20 development projects with local governments and provide  
21 sufficient funding levels to encourage them to use civil  
22 application of tires and TDA and RAC in their projects and  
23 assist them in making that changeover, that would be  
24 great.

25 So I know it's a lot to think about.



1           I had a discussion earlier. Member Chesbro had a  
2   commitment that he had to get to, and Member Peace could  
3   not be here today. So I'd like to hold this item over to  
4   the full Board. They both have been very involved in the  
5   issue, and especially Member Peace, with the Chair of  
6   Special Waste when we had such a Committee, would like to  
7   allow her time and the opportunity to participate in the  
8   discussion on this item. So we're going to continue this  
9   discussion.

10           As far as a full presentation though, Sally, you  
11   don't have to redo your whole presentation. And, Michael,  
12   you don't have to redo yours either. If you guys want to  
13   be here and testify again, you know, we would love it.  
14   We, you know, enjoy and value our stakeholder process.  
15   Don't feel obligated because we haven't closed this item  
16   to have to come back up again. I know some of you have  
17   traveled pretty far. So this more is open as an  
18   opportunity to allow Member Peace and Member Chesbro to  
19   input to the direction to staff. And then we'll sort of  
20   close it out. So we won't do a full presentation. We'll  
21   just do a discussion.

22           PROGRAM DIRECTOR LEVENSON: Madam Chair, would it  
23   help -- and it certainly would help us as staff -- if we  
24   summarize the major points that I've heard from you  
25   perhaps in a one-page set of bullets that Option -- for

1 example, Option 4 on the loans that -- and our intent was  
2 certainly not to focus that just on TDA. But clarify that  
3 that's open to everything, and then incorporate the issue  
4 that Member Mulé suggested about the exemption of sales  
5 tax. Do that for each of the options and at least get a  
6 sense of where we think we're headed. And then you could  
7 use that at the Board meeting and you could say you've got  
8 it right or you've got to do something different.

9 CHAIRPERSON BROWN: As a work sheet.

10 PROGRAM DIRECTOR LEVENSON: Right.

11 CHAIRPERSON BROWN: Yeah, that would be great.

12 PROGRAM DIRECTOR LEVENSON: And we would make  
13 that publicly available before the Board meeting, as soon  
14 as we can.

15 CHAIRPERSON BROWN: Okay. That would be helpful.

16 Any other questions, comments?

17 COMMITTEE MEMBER MULÉ: Just, a great job again.

18 Thank you, staff, for all your work.

19 CHAIRPERSON BROWN: This meeting is adjourned.

20 (Thereupon the California Integrated Waste.

21 Management Strategic Policy Development

22 Committee adjourned at 3:00 p.m.)

23

24

25

1 CERTIFICATE OF REPORTER

2 I, TIFFANY C. KRAFT, a Certified Shorthand  
3 Reporter of the State of California, and Registered  
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the  
6 foregoing hearing was reported in shorthand by me,  
7 Tiffany C. Kraft, a Certified Shorthand Reporter of the  
8 State of California, and thereafter transcribed into  
9 typewriting.

10 I further certify that I am not of counsel or  
11 attorney for any of the parties to said hearing nor in any  
12 way interested in the outcome of said hearing.

13 IN WITNESS WHEREOF, I have hereunto set my hand  
14 this 23rd day March, 2008.

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21

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